

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

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## • • For Men, not Puppets • •

The puppet is pulled about, willy nilly. So are some men—pulled about by "fate." But the man who owns life insurance stands up against that puppeteer. He has a say in his destiny. For insurance safeguards the family, it builds a financial reserve, it may enable the insured man some day to take life easy.

*Thomas T. Parkinson*  
PRESIDENT

One of a Series of Equitable Advertisements Appearing in National Publications

MAR 5 1938 8-40

## LIFE INSURANCE QUESTION BOX

### HAVE YOU ANY QUESTIONS?

You are invited to send any questions on life insurance to "The Equitable Counselor," 393 Seventh Ave., New York, N.Y. Or write for booklet, "Build for the Future," which gives interesting information of value.

• • •

Meanwhile, read these questions and answers on important life insurance facts.

**Q. I am 25, married and have one young child. I earn \$50 a week. I have \$6000 of insurance, and a small bank balance. What added insurance do you suggest?**

**A. Enough to provide a minimum of income to your wife, and to create an educational fund for the child.**

• • •

**Q. Should life insurance be paid in a lump sum?**

**A. Not always. More and more people believe it wiser to arrange the payments to beneficiaries in installments, with a moderate lump sum for emergencies. The "life income option" on every policy makes life long protection certain.**

• • •

**Q. What is a "Special Income" Policy?**

**A. This policy is designed for the man with a growing family. It provides extra protection while the children are dependent. Ask an Equitable agent or the Counselor about its interesting features.**

• • •

**THE EQUITABLE**

FAIR — JUST

**LIFE ASSURANCE**

SECURITY — PEACE OF MIND

**SOCIETY**

MUTUAL — COOPERATIVE

**OF THE U.S.**

NATION-WIDE SERVICE



**FRIDAY, MARCH 4, 1938**

# Two Good Agents Go into a Slump One Came Out...HOW?

**BANKERS Life COMPANY**

GERARD S. NOLLEN, President



DES MOINES

January 31, 1938

Mr. A. R. Jaqua,  
The Diamond Life Bulletins,  
Cincinnati, Ohio.

Dear Bert:

Here is an incident, relative to the use of the D.L.B. Agent's Service, in which I think you might be interested.

We have two men in our Agency ..... I'll give you their names if you would like to have them, but inasmuch as I do not care to have this tale get back to them, I shall call them A and B. These men started selling insurance in the same year - 1919. Both produced about the same volume of business before the depression hit, from \$175,000 to \$300,000; then they went into a slump and, during '34 and '35, each produced between \$50,000 and \$70,000. There is a great deal of rivalry between these men. When they started in 1919 they worked as a partnership, splitting all production credit and commissions during the first year. They have been great friends throughout, but B beat A in volume of business two years out of three.

In 1936 we subscribed to the D.L.B. Agent's Service for both these men. A started using the Service immediately and as additional pages would come in he studied them, used them, and kept them filed right up to date. His production, \$54,000 in 1935, jumped to \$140,950 in 1936; then to \$219,000 in 1937. B's production of \$73,000 in 1935 jumped to \$94,000 in 1936; then dropped to \$78,500 in 1937.

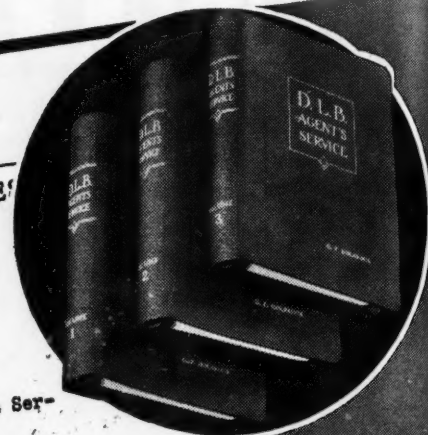
Recently I had occasion to visit these men who live in adjacent towns in a southwestern state. When I called on B he asked me how to present a certain case. I referred him to his D.L.B. Agent's Service and asked him if he had not noted therein a parallel case. I looked in his Service but could not find it ..... he had not filed it. He said: "That stuff comes in here but it is still in the envelopes. I never pay any attention to it because I don't have time to read it."

I invited B to get in my car and drive thirty miles over to A's town. He was glad to pay A a visit so we drove over. When we got in A's office I asked him what he thought of the Agent's Service. He replied -

"It's the finest thing I ever had. I study and use it every day and I think it is more responsible for my increase in business than any other help I have had. I wouldn't be without it even if it cost me \$5 a month. Everytime I look through it, which is often, I get an idea which helps me to go out and close a case."

Kindest regards.

Very truly yours,



**A** RECENT SURVEY taken in a large Agency shows that experienced Agents who spend one evening a week in study write 40 per cent more business than those who do not.

Apparently this considerable difference in production is due to three reasons:

- (1) Successful Agents have a more or less regular study schedule,
- (2) A large majority of these Agents keep files of sales ideas or use a Selling Service, such as the D. L. B. Agent's Service with its continuous inflow of new ideas, and
- (3) The very act of studying stimulates enthusiasm.

Haven't you often noticed how some new or old idea, when it is presented or recalled to your attention, will associate itself with a particular prospect whom you have not been able to sell? Sure you have. We all have. Read the coupon. Satisfaction guaranteed.

## COUPON

THE DIAMOND LIFE BULLETINS,  
420 East Fourth Street, Cincinnati, Ohio.

I can see the possibilities in one evening a week of study. Therefore, please send me the D. L. B. Agent's Service with the understanding that I may return the three volumes in ten days for full refund if I am not convinced that this Plan will do what you say. Should I keep the Service you will also supply me with the Monthly Supplements for a minimum period of one year.

☐ I enclose \$7 as the down payment and I agree to pay \$1 a month for eleven months. OR ☐ I enclose \$15 cash for the first year.

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_



# The NATIONAL UNDERWRITER

Forty-second Year—No. 9

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MARCH 4, 1938

\$3.00 Per Year, 15 Cents a Copy

## Life Insurance Is Treated as Best Investment Basis

### C. J. Zimmerman Points Out Arguments in Its Favor for the Average Person

C. J. Zimmerman, general agent Connecticut Mutual in Chicago, addressed the Women's Finance Forum in that city, consisting of business women engaged in various lines. There was much interest in Mr. Zimmerman's presentation of life insurance from a financial standpoint. Many of the women queried him with regard to taxation, creditor attachments, options and settlements and beneficiary clauses. Mr. Zimmerman discussed two major subjects, the first being "What Is Life Insurance?" and the second, "What Does Life Insurance Do?"

In sketching the early history of life insurance he emphasized the fact that since the beginning it has always been the desire and instinct of man to protect himself against the uncertainties of life. He discussed the structure of a life company showing how rates were determined by the mortality table, interest factor, interest on the reserve fund and loading. He gave a simple illustration of the major types of policies including term, life, endowment and annuities.

### Change in Investment Portfolios

He pointed out the tremendous place of life insurance in the economic structure of the country. He compared the investments of life companies in 1916 as against those of the present. This emphasized the prominent place that federal government securities have assumed in investment portfolios of companies. It was interesting to note that policy loans were just about the same percentage-wise in 1916 as they were, for instance, in 1936. There has been a great decrease in railroad bonds and a material decline in the percentage of farm mortgages as investments.

Mr. Zimmerman made a comparison of the leading features of life insurance portfolios on a 10-year period as follows:

	1916	1926	1936
U. S. bonds .....	0.0	4.1	15.6
Policyholder loans ..	14.0	12.0	13.4
Railroad bonds .....	31.3	20.2	13.0
Public utilities .....	4.1	6.9	10.8
Real estate .....	2.7	1.8	8.9
State and Municipal bonds .....	4.5	2.9	5.7
Other bonds .....	1.5	1.5	4.1
Farm mortgages .....	14.9	16.5	3.7
Other mortgages .....	18.5	26.5	16.6
Cash .....	2.1	1.0	3.6
Other assets .....	2.5	4.1	2.4
Canadian bonds .....	1.3	2.2	2.2
Foreign bonds .....	2.6	.3	0.0

### Life Insurance Money Used

He stated that it was impossible to walk along the streets without seeing the results of life insurance investments. Mortgages on city buildings of various kinds have been made by life companies.

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## Report on Metropolitan Is Applause of Its Methods

NEW YORK—The special study of industrial insurance, based on the records of the Metropolitan Life, that was conducted by Max S. Weinstein for the New York department will undoubtedly stand as a complete answer to the rather numerous critics who from time to time pass off-hand and rather noisy judgment on the way this important business is handled.

The Metropolitan Life could very well replace the paper cover, with which the official report is bound, with an inviting type of cover and use the report as a company brochure.

Mr. Weinstein approaches each of the criticisms that has been leveled at industrial insurance, makes a thorough-going analysis, and either disposes of them or makes the statement that the Metropolitan is earnestly endeavoring to effect improvement.

### Expenses Fairly Allocated

Mr. Weinstein gives extensive attention to the theory that the cost of industrial insurance is disproportionately high as compared with ordinary. He also investigates the charge that the expenses are juggled in such a way as to diminish the profits in the industrial department and widen them in the ordinary. He makes the statement that the Metropolitan Life is scrupulously fair in allocating expenses and supports his conclusion with extensive figures.

Mr. Weinstein undertakes to make some comparisons of costs as between ordinary and industrial. At each step he warns that the figures must be treated with reservations because it is almost impossible to find two likes to compare.

At one point, Mr. Weinstein estimates that the net cost of an industrial policy exceeds the corresponding cost on a comparable ordinary policy by an amount which is about 15 percent of the industrial gross premium. In other words, if the industrial policyholder could have purchased a comparable ordinary policy at the time he purchased the industrial policy, his net cost would be reduced by about 15 percent of the premium he is now paying. If the industrial policyholder should avail himself of the privilege of paying premiums directly to a district office, he would receive a refund of 10 per cent of the premium and this would serve to reduce the excess net cost to about 5 percent of the industrial premium.

### Sources of Income

In a survey covering the years 1934-36 he finds the percentage of income in the industrial department derived from premiums was 83.78 and from investment 16.22; in the ordinary department the comparable percentages were 80.42 and 19.58.

In the industrial department 20.56 of income went for claims and maturities as compared with 28.41 in the ordinary department; of the industrial income 28.23 percent went for surrender values and in the ordinary 19.24. In the industrial department 11.69 went for dividends and in the ordinary 11.43. In the industrial department 1.77 percent went to those policyholders who took advan-

tage of the 10 percent allowance for paying premiums direct. In the industrial department 62.25 percent was paid to insured and beneficiaries whereas in the ordinary 59.08 percent was paid. In the industrial department 1.17 percent was spent for insured's health and welfare and in the ordinary the percentage was .20. The increase in insured's funds in the industrial was 14.79 percent and in the ordinary 26.30. That makes the total to policyholders in the industrial department 78.21 percent of income and in the ordinary 85.58.

### Field Expenses Compared

Total field expenses in the industrial end were 15.06 percent and in the ordinary 7.86 percent. Home office salaries were 2.57 percent in industrial and 2.82 percent in ordinary. Total home office expenses in industrial were 5.25 percent and in ordinary 5.17 percent. Taxes accounted for 1.48 percent of industrial income and 1.39 percent of ordinary.

Mr. Weinstein observed that in the ordinary department about 7½ percent more of the total income is paid to policyholders and beneficiaries or held for their benefit than in the industrial.

The expense rate in the industrial department is half again as large as in the ordinary. The difference arises in the field expenses. It is to be expected, he said, from the nature of the business that the industrial department will show a larger expense ratio. One of the principal features of the industrial business is the collection of premiums at the homes of policyholders and this service must be paid for.

Mr. Weinstein has devoted considerable attention to the mortality ratio. Again he finds difficulty in finding two likes. He summarizes the result and shows ratios of actual to expected mortality, where the "actual" is the mortality experienced in the industrial branch and the "expected" represents the mortality rate of the given branch applied to the industrial exposure. Based on ordinary experience, the ratio of actual to expected is 140.2 percent; based on "intermediate" experience the ratio was 121.2 percent; based on "special class" experience it was 87.1 percent. He pointed out that the industrial experience is about midway between intermediate and special class. This, he said, should make plain why it is not proper to compare industrial net costs with those in

(CONTINUED ON PAGE 10)

## Governor Makes Special Plea for Bank Insurance

### More Than 10,000 Telegrams in Opposition Flood New York's Capital

ALBANY, N. Y.—In a special message to the legislature, the first of its kind at the present session, Governor Lehman of New York demanded passage of the Livingston-Piper bill permitting savings banks to write life insurance. However, it is plain that the opposition doesn't intend to go down to defeat without making a determined fight. Monday more than 10,000 telegrams opposing the bill poured into the capitol. This is the largest number in years on any issue.

That the governor is still under the impression that savings bank life insurance will do anything perceptible to provide cheap insurance for the poor may be gathered from his statement that "you are unquestionably alert to the humane benefits that are offered by savings bank life insurance."

### Banks Issue Statement

Almost coincidentally the state savings bank association came out with a forceful statement by its president, Andrew Mills, Jr., president of the Drydock Savings Institution of New York City. The banks do not want the original Livingston-Piper bill, which follows the Massachusetts pattern of letting the banks issue policies but with the savings bank insurance division of the state insurance department really running the whole show.

"Savings bankers are alert to their responsibilities and if such insurance is to be made available they insist that it should be on the finest basis possible," Mr. Mills' statement declared.

Mr. Mills pointed out that the Livingston-Piper plan would find little support among the savings banks, while a number of banks are prepared to go ahead if they were permitted to form a central corporation which would issue the insurance, with the banks acting as agencies.

### New York Association Statement

The New York State Life Underwriters Association, through the chairman of its general committee, S. L. McCarty of Albany, has sent out a statement to its membership reiterating and amplifying its objections to the Livingston-Piper bill. The memorandum points out that "it is generally conceded that without the sales presentation of the life underwriter and his services to policyholders and beneficiaries only a small fraction of the present social security of the country would have been developed."

As proof of the fact that men do not readily provide protection for the families unless persuaded by life agents, the

(CONTINUED ON PAGE 10)

## \$100,000 Winner to Invest Money in an Annuity

BOSTON—S. M. Van Sant, Jr., \$30 a week mail clerk, who won the Old Gold cigarette advertising award of \$100,000, says he will use the money to buy an annuity, and his wife has concurred. The federal tax will amount to \$34,000 and the Massachusetts tax to \$2,000, leaving the Van Sants with \$64,000.

# Majority of Companies Maintain Same Dividend Schedules During Coming Year

By W. J. ISAAC

Few changes are being made in dividend scales for 1938. Over 80 companies are continuing or expect to continue their 1937 schedule. In some few cases there has been a slight reduction on certain kinds of policies, especially paid-up life and endowments, where there is a large element of investment involved.

As a result of continuing their present scale, each individual policyholder will receive more than he did in 1937, and the total payments will be considerably higher than in 1937.

The Sun Life of Canada, which in January was expected to announce an

increased schedule, has continued its 1937 scale for 1938.

Northwestern Mutual, which reduced dividends last year, announced a new scale showing increased payments. Lutheran Mutual Life (formerly Lutheran Mutual Aid, fraternal) has a new increased scale. American United, Connecticut General, Connecticut Mutual, Continental American are other American companies using increased schedules. Imperial Life, London Life and Manufacturers Life of Canada also increased their scales. Although the Canada Life's present scale is effective to June 30, an increase is expected at that time.

With savings bank insurance in the forefront at this time, it is interesting to note that the Massachusetts savings banks reduced dividends, effective Jan. 1.

While the Metropolitan schedule has been reduced for the year beginning March 1, the amount a policyholder will receive in 1938 will generally be greater than he received in 1937. Other companies reducing scales for 1938 were Great Northwest, Guarantee Mutual, Home, N. Y., Mutual Life, N. Y., and National Guardian.

In 1937 the Continental Assurance and General American started to issue par-

ticipating contracts. Illustrative scales have been issued and as of Jan. 1 General American increased its first illustrative schedule.

The Acacia Mutual, Baltimore Life and Midland Mutual started writing policies on a 3 percent reserve basis as of Jan. 1. Acacia Mutual, as in the past, has not issued an illustrative scale, but the two other companies have announced illustrative dividend payments only.

Any change that has been made in interest allowed on dividend accumulations is in the form of a reduction rather than an increase. In the main, however, the 1937 rates have been continued.

Year** Begins	Dividend Scale	Int. on Div. Accum. %	Pol. Proceeds With- draw. %	Non- With- draw. %
April	Acacia Mutual 3 1/2% .. Revised adopted .....	3.5	3.5	3.5
Jan.	Aetna Life .. 1937 continued .....	3.5	3.5	3.5
Jan.	American Home .. 1937 continued .....	3.5	3.5	3.5
April	American United .. Increased .....	3.5	3.5	3.5
April	Atlantic, Va. .. 1937 continued .....	3.5	3.5	3.5
April	Baltimore 3 1/2% .. Revision underway .....	3.5	3.5	3.5
April	Baltimore 3% .. New illus. .....	4.0	3.75	4.0
Jan.	Bankers, Ia. .. 1937 continued .....	3.5	3.5	3.5
April	Bankers, Neb. .. Aug. 1, 1937, effective to Mar. 31 ..	4.0	4.25	4.25
Jan.	Bankers National .. 1937 continued .....	3.5	3.5	3.5
Jan.	Beneficial .. New adopted .....	3.25	3.25	3.25
May	Berkshire .. Present effective to April 30 .....	3.5	3.5	3.5
Jan.	Boston Mutual .. 1937 cont. exc. pd-up life, endow. ..	4.0	3.5	3.5
Jan.	California-Western .. 1937 continued .....	3.75	3.75	3.75
July	Canada .. Increase expected .....	3.5	4.0	4.0
May	Central Life, Ia. .. No change expected .....	3.5	3.5	3.5
Jan.	Central Assur. O. .. 1937 continued .....	3.5	4.0	4.0
Jul	Central Life, Ill. .. Present effective to June 30 .....	3.5	3.5	3.5
Jan.	Central Life, Kan. .. 1937 continued .....	4.0	4.0	4.0
April	Central States, Mo. .. Probably no change .....	4.0	4.0	4.0
Jan.	Colorado Life .. 1937 continued (in general) .....	3.5	3.5	3.5
Jan.	Columbia Life .. 1937 continued .....	3.5	3.5	3.5
Jan.	Columbia Mutual, Ia. .. 1937 continued .....	3.5	3.5	3.5
April	Columbus Mutual .. 1937 continued .....	3.5	3.5	3.5
Jan.	Confederation, Can. .. 1937 continued .....	3.5	3.5	3.5
Jan.	Connecticut Gen. .. Inc. except pd-up life, end. ..	3.5	3.5	3.5
Jan.	Connecticut Mutual .. Inc. except pd-up life, end. ..	3.5	3.5	3.5
July	Cont. American .. Inc. adopted Jan. 1 .....	3.5	3.5	3.5
Oct.	Cont. Assurance .. First illus. adopted Oct. 1, 1937 ..	3.5	3.5	3.5
Feb.	Country Life .. 1937 continued .....	3.5	3.5	3.5
April	Crown, Can. .. Present effective to March 31 .....	4.0	3.5	3.5
July	Dominion, Can. .. Present effective to June 30, 1938 ..	3.5	3.5	3.5
Jan.	Equit., Can. .. 1937 continued .....	3.25	3.4	3.4
Jan.	Equit., N. Y. .. 1937 continued .....	3.5	3.5	3.5
March	Equit., Ia. .. 1937 continued .....	3.5	3.5	3.5
Jan.	Excelsior, Can. .. 1937 continued .....	3.5	3.5	3.5
Jan.	Expressmen's Mut. .. 1937 continued .....	3.5	3.5	3.5
June	Farmers Union .. Present effective to May 30 .....	3.5	3.5	3.5
Feb.	Federal, Ill. .. 1937 continued .....	4.25	4.25	4.25
Jan.	Fidelity Mut. .. 1937 continued .....	3.75	3.75	3.75
Jan.	Fidelity Union .. 1937 continued .....	3.5	3.5	3.5
July	General Amer. .. New illus. Jan. .....	3.5	3.5	3.5
Jan.	General Mutual .. 1937 continued .....	3.5	3.5	3.5
May	George Wash. .. 1937 continued .....	3.5	3.5	3.5
Jan.	Girard Life .. 1937 continued .....	3.5	3.5	3.5
Jan.	Great Amer. Tex. .. 1937 continued .....	3.5	3.5	3.5
Jan.	Great Northwest .. Reduction .....	3.5	3.5	3.5
Jan.	Great Southern .. 1937 continued .....	3.5	3.5	3.5
Jan.	Great West, Can. .. 1937 continued .....	3.75	3.75	3.75
March	Guarantee Mutual .. Reduction .....	3.5	3.5	3.5
Jan.	Guardian, N. Y. .. 1937 cont. ex. on pol. with inc. dis. ..	3.5	3.0	3.5
Jan.	Hercules .. 1937 continued .....	3.5	3.5	3.5
Jan.	Home, N. Y. .. Reduction .....	3.75	3.75	3.75
Nov.	Illinois Bankers .. 1936-7 continued .....	3.5	3.5	3.5
July	Indianapolis Life .. Present effective to June 30 .....	3.75	3.5	3.75
Jan.	Imperial, Can. .. Increased .....	3.75	3.75	3.75
July	Jefferson Std. .. 1937 continued .....	5.0	5.0	5.0
Jan.	John Hancock .. 1937 continued .....	3.5	3.75	3.75
Jan.	Lafayette Life .. 1937 continued .....	3.5	3.5	3.5
May	Liberty Life, Kan. .. Present effective to May 5 .....	3.5	3.5	3.5
Jan.	Lincoln Liberty .. 1937 continued .....	3.5	3.5	3.5
April	Lincoln National .. 1937 continued .....	Guaranteed rate		
Jan.	London Life, Can. .. Increased .....	4.0	4.0	4.0
May	Loyal Protective .. Action in April .....	3.0	3.0	3.0
Jan.	Luthern Mut. Life .. Increased .....	3.0	3.0	3.0
May	Manhattan, N. Y. .. Present effective to April 30 .....	4.0	3.5	3.5
March	Manhattan Mut. .. 1937 continued .....	3.75	3.75	3.75
Jan.	Manufacturers, Can. .. Increased .....	3.5	3.75	3.75
April	Maryland .. Present effective to March 31 .....	3.5	3.75	3.75
June	Mass. Mutual .. 1937 continued .....	3.75	3.75	3.75
Jan.	Mass. Svgs Bank .. Reduction .....	3.5	3.5	3.5
May	Metropolitan .. Reduction .....	3.5	3.5	3.5
July	Midland Mut. 13 1/2% .. Present effective to July 1 .....	3.5	3.5	3.5
July	Midland Mutual, 3% .. New illus. adopted Jan. 1 ..	3.5	3.5	3.5
Jan.	Midwest Life, Neb. .. 1937 continued .....	4.0	Guar. rate	
July	Minnesota Mutual .. Present effective to June 20 .....	4.25	3.5	4.0
June	Modern, Minn. .. Present effective to May 31 .....	4.0	4.0	4.0
Jan.	Monarch, Can. .. 1937 continued .....	4.0	4.0	4.0
Jan.	Monarch, Mass. .. 1937 continued .....	4.0	4.0	4.0
Jan.	Monumental Life .. 1937 continued .....	3.5	3.75	3.75
Jan.	Mutual Benefit .. 1937 continued .....	4.0	4.0	4.0
Jan.	Mutual, Can. .. 1937 continued .....	3.2	3.2	3.2
Jan.	Mutual Life, N. Y. .. Reduction .....	3.5	3.5	3.5
May	Mutual Trust .. 1937 continued .....	4.0	3.75	4.0
Jan.	National Guard .. Reduction .....	3.5	3.5	3.5
Jan.	National, Iowa .. 1937 continued .....	3.5	3.5	3.5
Jan.	National, Vt. .. 1937 continued .....	3.5	3.5	3.5
Jan.	National Masonic .. 1937 continued .....	3.5	3.75	3.75
Jan.	New Eng. Mutual .. 1937 cont. ex. on s-pr, p-up life, en. ..	3.0	Guar. Rate	
Jan.	New York .. 1937 cont. except extra 5-yr. div. ..			

Year** Begins	Dividend Scale	Int. on Div. Accum. %	Pol. Proceeds With- draw. %	Non- With- draw. %
Jan.	North Amer. L. & C. .. 1937 continued .....	4.0	4.0	4.0
July	N. A. Can. .. Present effective to June 30 .....	4.0	4.0	4.0
Jan.	Northern, Can. .. 1937 continued .....	4.0	4.0	4.0
May	Northern, Wash. .. 1937 continued .....	3.5	3.5	3.5
Jan.	N. W. Mutual .. Increased .....	3.5	3.5	3.5
May	N. W. National .. Present effective to April 30 .....	3.75	3.75	3.75
July	Occidental, Calif. .. Present effective to June 30 .....	3.75	3.75	3.75
April	Ohio National .. 1937 continued .....	3.75	3.75	3.75
March	Ohio State .. 1937 continued .....	3.75	3.75	3.75
March	Oregon Mutual .. 1937 continued .....	3.75	3.75	3.75
May	Pacific Mutual .. May, 1937 continued .....	3.5	3.5	3.5
July	Penn. Mutual .. 1937 continued .....	3.5	3.5	3.5
Feb.	Philadelphia Life .. 1937 continued .....	3.5	3.5	3.5
July	Phoenix Mutual .. Present effective to June 30 .....	3.6	3.6	3.6
May	Pilot Life .. 1937 continued .....	3.5	3.5	3.5
Jan.	Policyholders Nat. .. 1937 continued .....	3.5	3.5	3.5
May	Postal Life .. Present effective to April 30 .....	4.0	4.0	4.0
Jan.	Presbyterian Min. .. 1937 continued .....	3.5	3.8	3.8
June	Protective, Ala. .. Present effective to May 31 .....	3.5	3.8	3.8
Jan.	Provident Mutual .. 1937 continued .....	3.5	3.8	3.8
Jan.	Prudential .. 1937 cont. on pol. at prem. rates prior to Jan. 1, 1935 Rev. for policies issued at pres. time ..	Guar. Rate	3.5	3.5
March	Puritan .. Decision soon .....	3.5	3.5	3.5
Jan.	Reliance, Pa. .. 1937 continued .....	3.5	3.5	3.5
April	St. Louis Mut. .. Present effective to March 31 .....	3.5	3.5	3.5
Jan.	Scranton .. 1937 continued .....	4.5	4.5	4.5
May	Security L. & T. .. 1937 continued .....	3.5	3.5	3.5
Jan.	Security Mut., Neb. .. Revised effective March 31 .....	3.5	3.5	3.5
May	Security Mut., N. Y. .. No change expected .....	3.5	3.5	3.5
Feb.	Service Life, Neb. .. 1937 continued .....	3.5	3.5	3.5
Jan.	Shenandoah .. 1937 continued .....	4.0	3.5	3.5
Jan.	State Farm .. 1937 continued .....	3.5	4.0	4.5
Jan.	State Life, Ind. .. 1937 continued .....	3.5	3.75	3.75
Jan.	State Mutual .. 1937 continued .....	3.0	3.0	3.5
April	Sun Life, Can. .. 1937 continued .....	3.75	3.75	3.75
Jan.	Teachers Ins. & Ann. .. 1937 continued .....	2.5	G. R.	
Jan.	Union Central .. 1937 continued .....	Guaranteed rate		
Jan.	Union Labor .. 1937 continued .....	3.5	3.5	3.5
July	Union Mut., Maine .. Present effective to June 30 .....	3.5	3.5	3.5
Oct.	United Life, Kan. .. 1936-37 continued .....	3.5	3.5	3.5
April	Webster Life .. 1937 continued .....	3.5	3.5	3.5
June	West Coast Life .. Present effective to May 31 .....	3.5	3.5	3.5
Nov.	Western Amer. .. 1936-37 continued .....	3.5	3.5	3.5
May	Yeomen Mutual .. 1937 continued .....	4.0	4.0	4.0

13.25 if payable other than annually.

\*\*Note: Year begins on 1st of month indicated except Liberty, May 6; Mutual Benefit, Jan. 11; United Life, Oct. 13; and Western Amer., March 5.

## Taxation of Payments Under Annuity and Endowment Contracts

Economic conditions which have forced governmental agencies to seek increased revenue through new and higher taxes, has brought about a need on the part of the agent to adequately inform himself on many of the more important phases of life insurance taxation, so that he may be of the utmost service to his clients.

A question frequently asked, and one with which the agent should be familiar, is: "How are payments made under an annuity contract taxed by the federal government?" Of the amounts received under an annuity or endowment contract for which a consideration has been paid, a sum equal to 3 percent of the aggregate premiums or consideration paid, whether or not paid during such year is taxable income; the excess above 3 percent is excluded from gross income until the aggregate amounts excluded equal the aggregate premiums or consideration paid. All payments received thereafter are taxable as in-

come for the year in which they are received. For example, a person may have purchased an immediate annuity last year for a consideration of \$20,000, calling for a return of 10 percent a year. Under this contract he will receive this year his first annuity payment amounting to \$2,000 and be required to include in gross income for income tax purposes \$600 of the \$2,000 received during that year (3 percent of \$20,000), and in subsequent years until the time when the entire annuity payment must be returned. The amount not required to be included in gross income until the aggregate amount excluded from gross income equals the aggregate premiums or consideration paid is \$1,400. It will be a little over 14 years, in the illustration given, before the entire amount received from the annuity will be required to be included in gross income.

## Hodder Nebraska Examiner

Donald R. Hodder of Lincoln, formerly with the Midwest Life, has been added to the staff of examiners of the Nebraska department, bringing the total to six.



## Announce Program for Mid-Year Meet in Richmond, Va.

### Full Schedule Arranged for National Association Council Sessions

The National Association of Life Underwriters has announced the program for its midyear meeting March 11-12 in Richmond, Va.

On Friday conferences of the board of trustees, the state presidents and the committee of past national presidents will be held. President O. Sam Cummings of Dallas will address the luncheon meeting in connection with the all-day sales congress to be staged by the Richmond association. The Richmond and Virginia state associations will be hosts to the delegates at an informal dinner dance Friday evening.

The breakfast Saturday of the general agents and managers executive committee under Chairman Philip B. Hobbs, Equitable Society, Chicago, will be followed by an all-day meeting of the national council. The president's message will be given by Mr. Cummings. C. J. Zimmerman, Chicago general agent, Connecticut Mutual Life and national secretary, will outline matters to be taken up by the meeting. H. J. Johnson, Pittsburgh general agent Penn Mutual and national vice-president, will talk on association administration problems. R. L. Jones, New York City, general agent emeritus State Mutual Life and national treasurer, will speak on "Successful Management of Local Association Finances." R. B. Hull, managing director National association, will talk on "Half Through the Year."

#### Speakers for Saturday Afternoon

There will be a Dutch treat luncheon of the national council and the Richmond Managers Association with Mr. Cummings as guest speaker.

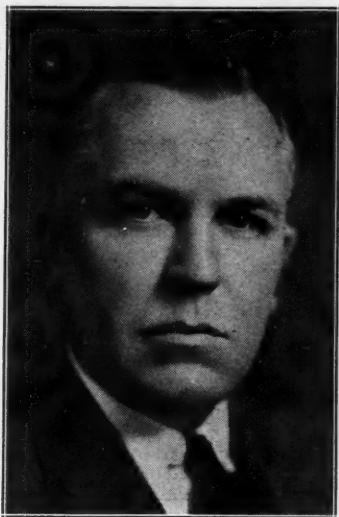
In the afternoon H. T. Wright, Equitable Society, Chicago, national membership chairman, will speak on "A Quantity of Quality Members" and F. B. Summers, New York Life, Boston, chairman publicity committee, "Securing Favorable Local Publicity." Mr. Zimmerman will discuss plans for the Houston convention and Isadore Samuels, general agent New England Mutual, Denver, will report for the "On to Houston" committee, of which he is chairman. N. Baxter Maddox, general agent Connecticut Mutual, Atlanta, will discuss "Organizing Inter-Association Meetings." J. Hawley Wilson, Massachusetts Mutual, Peoria, will report for the N. A. L. U. safety committee, which he heads. Ray Hodges, manager Ohio National Life, Cincinnati, will talk on educational projects for local associations. C. Vivian Anderson, Cincinnati, former national president, will report on the current legislative situation. L. O. Schriver, general agent Aetna Life, Peoria, will discuss the status of the agency practices agreement.

The meeting will close with election of a nominating committee to present the official slate at the Houston convention.

#### Minnesota Mutual Appointments

The Minnesota Mutual Life announces two new general agency appointments. F. A. Owens has taken over the agency at Charlotte, N. C., and the Savage Insurance Agency at Rockford, Ill., will represent it in that territory. One of the members of the committee is C. S. Rathbone, formerly with the Occidental Life. H. J. Cummings, vice-president Minnesota Mutual, is in Texas this month on company business.

### Connecticut Mutual Names Columbus General Agent



LEONARD L. LENZ

The Connecticut Mutual Life has appointed Leonard L. Lenz general agent at Columbus, O. Mr. Lenz has been in the life insurance business for 17 years, having served as agent, district manager and during the past five years as agency manager in Cleveland for another company. He is an alumnus of the University of North Dakota and received the C. L. U. designation in the class of 1930.

He has been active in association work, having served as secretary of the Cleveland Life Executives' Club and as chairman of the educational committee of the Cleveland C. L. U. chapter.

## Survey Investment Cost

Need for Precise Cost Accounting in This Department Is Emphasized by Tax Consultant W. W. Chambreau

Slump in investment earnings of life insurance companies and heavy purchases of the tax exempt bonds of the federal government and its political subdivisions have made the amount of income tax derived by the U. S. government from the life companies unsatisfactory to the authorities, according to W. W. Chambreau, Washington, tax consultant to insurance companies. Therefore, there is a strong possibility that some effort may be made in the near future to change the tax basis to compensate for this decrease. It is possible there may be a moderate increase in the rate of tax, which is now 15 percent on net investment income.

The sub-committee of the House ways and means committee in January reported a recommendation that the rate be set at 16 percent. It seems inevitable that Congress before long will make some such change.

#### Actual Costs Required

For this reason, Mr. Chambreau says, it is now apparent that life companies must pay much closer attention to the determining of the actual investment costs.

It now appears that actual investment cost of many companies has been running close to 1 percent, exclusive of taxes and other real estate expenses, whereas many companies apparently have been content with the  $\frac{1}{4}$  of 1 percent deduction for investment expense permitted by Section 203a (4) of the U. S. revenue act of 1936. These percentages apply to the mean of the invested assets taken at the beginning and end of the calendar year.

In the same sections of the law, how-

ever, it is permitted for a company to deduct actual investment expenses paid during the taxable year.

Mr. Chambreau says the government will not be satisfied to receive merely estimates of investment cost, but instead a proper system of accounting must be set up. There are, of course, items that cannot always be precisely determined, such as allocation of the salaries and expenses of company officials for the time which they put in on the investment end.

At present there are two lower court findings which might serve to govern, relating to two companies which sought to determine by two different methods how much of the general officers' salaries to allocate to investment expense. One is in the case of the Volunteer State Life, whose board of directors adopted a resolution stipulating the percentage of the officers' salaries to be so allocated. The other is the case of the Sun Life of Maryland which waited until the end of the fiscal year to make the apportionment as the investment cost would show more accurately. The Volunteer State's method was sustained by the U. S. Board of Tax Appeals and the Sun Life won its case in the court of claims. While both these cases now stand they are not recognized as controlling by the internal revenue commissioner and every company appearing before him still must prove its own case.

#### Two Methods Permitted

Two methods of establishing the income tax deduction for investment cost are permissible under the revenue act: One, applicable to the company which does not keep detailed account of this item, limits the deduction to a maximum of one-quarter of 1 percent of mean invested assets. However, if a proper account is kept by the company month by month, it is permitted to deduct the actual disbursements for investment expenses in the year, Mr. Chambreau said.

"It has become necessary now," he said, "for life companies to make careful survey of their investment cost, and to educate their home office staffs to recognize investment cost items which heretofore have gone as general expenditure, and to keep careful account of them."

"Mere guesses and estimates will be disallowed by the revenue bureau. Therefore, it becomes necessary to adopt a scientific basis of determining investment costs."

#### Officers' Statement

"A good way to do this is to get a statement from any officers having to do with investments as to the actual portion of their time which they spend in that work. If it is possible in some cases perhaps an actual schedule can be maintained showing the time put in."

"At one time or another perhaps nearly all of the major officers may have something to do with investments. For instance, the president, or even in an extreme case, the vice-president in charge of agencies, may make a swing through the territory, holding agency meetings, but dropping off here and there to confer with loan agents in respect to real estate, look over some of the company's farms that it has taken over under foreclosure and is operating or has rented. Such work, of course, is properly chargeable against investment expense."

Other items which may require something special in the way of cost analysis are traveling expense, salary and expenses of general counsel, use of Hollerith or other tabulating machines by the investment department, postage, stationery and printing, telephone (local

(CONTINUED ON PAGE 9)

## Her Old Tin Box

Writes one of our Louisiana representatives:—

I drove a few days ago through a small village that was just a wide place in the road. An old friend said, "Go see old Mrs. Blank. She made a good rice crop this year and has a couple of grandsons who ought to take policies." I called. She wanted to know what Company I represented, and when told she said, "I have a policy in that Company." If I had been asked to pick out the last person in the United States who owned a policy, she would have been my candidate. But, sure enough, she reached under a bed, pulled out a tin box, and showed me an almost matured Endowment policy written about the time when St. Augustine was founded, 1565. She waved it vigorously, remarking, "I'll never starve with this money coming in." Then the family autocrat of the rice field called in her two grandsons, and ordered each to "take a policy like mine."

An old tin box, a maturing Endowment, and an old woman living in and from her hidden rice field! She had been sold by one of the army of explorative life underwriters, who, everywhere in the country, are carrying the penetrative protection of life insurance.

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### THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President.

Independence Square

PHILADELPHIA

## N. Y. "World-Telegram" Wouldn't Abolish Industrial

**Sensationalized Series of Articles, It Now Appears, Is Aimed at Correcting Alleged "Evils"**

NEW YORK — The New York "World-Telegram's" heavily sensationalized series of daily articles attacking industrial insurance is not, it now appears, directed at industrial insurance per se but merely at certain practices which the "World-Telegram" holds are open to criticism. Nor is it the newspaper's opinion that savings bank life insurance offers any effective substitute for industrial insurance.

Until this week the "World-Telegram's" articles have by their contents and tone led many readers to feel that the paper wanted nothing less than a complete uprooting of the entire industrial insurance system. A review of the series up to this week fails to reveal any concession by the writer of the series, S. Burton Heath, that industrial insurance has a place which under the present economic system can be filled by no other type of coverage. Also, the way in which the costs of savings bank life insurance in Massachusetts were compared with industrial insurance gave many the impression that savings bank life insurance could adequately fill the role of industrial, for nowhere was it pointed out that the poor people who most need to buy insurance cheaply are the very ones who are the least likely to save up and pay for insurance on the monthly basis demanded by the Massachusetts plan.

### How Crusade Started

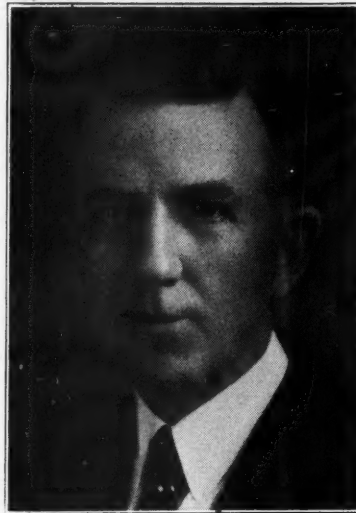
Asked by THE NATIONAL UNDERWRITER how the "World-Telegram" happened to take up its industrial insurance crusade, Mr. Heath said that one of the backers of the savings bank life insurance movement in New York state had tried to interest him in promoting that cause and showed him figures on industrial life insurance which seemed to be worthy of investigation and which, if substantiated, to demand correction.

Mr. Heath said it was not his intention to suggest that industrial insurance should be abolished nor did he believe that savings bank life insurance is an adequate substitute for industrial. He said the "World-Telegram" does not want to kill industrial insurance nor cause it to commit suicide. Its aim is rather to correct what he believes to be bad features which are not necessarily inherent in industrial insurance and which can be corrected so as to make

## Give Addresses at Hartford



ROBERT B. COOLIDGE  
Aetna Life



JAMES A. GIFFIN  
Phoenix Mutual Life

Two agency men of Hartford companies, well known throughout the country, were the speakers before the Hartford Life Underwriters Association, they being R. B. Coolidge, superintendent of agencies of the Aetna Life, and J. A. Giffin, assistant agency manager of the Phoenix Mutual Life. Both are experts in salesmanship in its application to life insurance.

that form of insurance do a better job in the field for which it is intended.

Among the "World-Telegram's" statements, which in the absence of any qualification were interpreted as condemning industrial insurance in toto and setting up savings bank life insurance as a complete substitute, was the following:

"Here are a few of the documented criticisms made by responsible and apparently unbiased students: . . . That the high cost of industrial insurance is unnecessary is evidenced by the fact that the Massachusetts savings bank, without subsidy and without profit, are selling suitable substitute insurance over the counter for a fraction of the cost. In Massachusetts a study indicated that the state's wage earners in 1934 could have saved \$25,000,000—half their industrial insurance bill—by using savings bank insurance entirely in place of industrial insurance." It will be noted that the foregoing statements are merely quoted from "responsible and apparently unbiased students." However, Mr. Heath's conclusion that "these criticisms have been made public time and time again and the companies' answers have failed to convince most independent critics"

was taken to indicate that he agreed with the implication that savings bank insurance could and should properly supersede industrial, though he now denies that his attitude could logically be so interpreted.

### Indianapolis Life Cruise

The Counselors Club members of the Indianapolis Life over two years ago decided that they would prefer to have one rather extended and pretentious outing after a contest period of two years rather than a less extended trip each year, as had been the custom previously. Accordingly the club left last Friday from New York for a trip to Panama, returning within two weeks. Qualification was based on production for two years instead of one and also the quality of business on a renewal basis was taken into account. Business sessions will be held on the boat.

E. B. Raub, president Indianapolis Life, Vice-president A. L. Porttous and Superintendent of Agents A. H. Kahler went on the cruise, accompanied by 67 agents.

## Eastern Conference Card Has Now Been Completed

**Home Office Management Association Will Have Special Meeting in New York**

NEW YORK—The 1938 eastern special conference of the Life Office Management Association scheduled to be held at the Hotel New Yorker, New York City, April 21-22 will be devoted to an intensive consideration of the subject "Field Agency Office Supervision and Related Activities including the Organizing of Central Premium Collection Offices."

Richard Boissard, vice-president National Guardian Life of Madison, Wis., is president. The general chairman is Assistant Vice-president James Scott, Guardian Life. At the first morning session L. C. Ashton, vice-president Provident Mutual, will speak on "Organizing and Operating Central Premium Collection Offices" with W. D. Holt, assistant secretary Provident Mutual giving the home office viewpoint and Cashier M. P. Gallagher of the Penn Mutual's New York office giving the field office slant.

### First Afternoon Session

At the afternoon session A. W. Barry, manager branch office accounts Union Central Life, will speak on "Expense Control of Agency Offices. W. C. Brody, agency auditor Lincoln National, will have as his topic, "Records Maintained in an Agency Office." R. E. Gowsett, secretary Manufacturers Life of Canada, will talk on "Agency Office Personnel." On the morning of the second day Auditor G. E. Perino, New England Mutual, will discuss "Agency Cashier's Manual." W. J. Nenner, assistant to the agency vice-president of the Penn Mutual, will speak on "Extent and Types of Service Rendered by Agency Office Clerical Staff for Field Force." D. J. Muir, assistant manager conservation department Massachusetts Mutual, will speak on "Agency Office Correspondence."

The afternoon will be given to the subject "Agency Auditing" with Comptroller G. W. Skilton, Connecticut General presiding. There will be a number of leaders appointed to discuss various phases of this subject.

The Life Office Management Association mid-west southern special conference will be held at the Hotel Andrew Jackson, Nashville, May 25-26.

### McNeill Is Made Secretary

**Equitable Life of New York Has Elected Some New Officers—Arthur Carroll Assistant Secretary**

Alexander McNeill has been elected secretary of the Equitable Society succeeding the late William Alexander. He entered the home office in 1899 and for the last 10 years has been an assistant secretary. Arthur P. Carroll has been made an assistant secretary. Mr. Carroll was formerly with the Prosser & Homans agency of the Equitable in New York City. He was shifted to the home office as assistant to President Parkerson. When Vice-president W. J. Graham was placed in charge of the agency department Mr. Carroll was assigned to his department and acts as liaison officer between the president and the agency department. He is regarded as a very able man.

### Mississippi "Robertson Law"

JACKSON, MISS. — Representative Gore has introduced a bill in the Mississippi legislature which would require insurance companies to invest 75 percent of their reserves on Mississippi business in securities or real estate of this state.

## FIGURES FROM DECEMBER 31, 1937 STATEMENTS

	Total Assets	Change in Assets	Surplus to Policyholders	New Bus. 1937	Ins. In Force Dec. 31, 1937	Change in Ins. In Force	Prem. Income 1937	Total Income 1937	Benefits Paid 1937	Total Disburs. 1937
Business Men's Assur. ....	15,898,549	+1,959,818	1,480,341	24,614,189	114,657,544	+9,684,027	5,255,742	6,108,671	2,036,195	4,164,096
Central Life, Ia. ....	44,578,893	+2,315,563	3,753,602	14,294,821	161,810,575	+2,224,093	4,936,821	7,455,588	3,490,175	5,252,825
Cosmopolitan Life ....	396,743	+48,054	+25,100	16,430,654	15,497,187	+1,785,738	312,392	328,143	73,023	284,503
Expressmen's Mutual ....	9,329,162	+459,687	735,062	1,298,070	26,725,597	+690,384	779,141	1,252,517	581,416	543,150
Eureka-Maryland Assur. ....	8,101,766	+407,148	875,569	24,252,164	73,231,973	+3,399,104	1,914,461	2,332,903	863,429	1,856,280
Fidelity Union Life ....	2,914,096	+367,812	481,826	4,547,608	23,842,927	+755,739	629,629	850,942	144,842	437,831
Globe Life ....	3,758,201	+84,195	338,349	8,951,628	24,542,351	+242,481	625,947	703,715	262,540	592,545
Great Northern Life ....	6,473,098	+497,940	478,381	5,471,060	35,222,067	+1,536,315	944,697	2,935,572	419,607	2,415,678
Hercules Life ....	33,446,385	+80,772	969,740	6,597,113	131,510,498	+2,470,640	2,789,004	6,202,258	2,735,301	4,447,376
Hoosier Farm Bureau Life	32,078	+32,078	18,183	2,225,000	2,225,000	+2,225,000	40,285	73,654	1,092	43,507
Kentucky Home Mut. ....	12,348,758	+339,347	378,141	3,434,458	45,093,732	.....	1,124,581	1,615,621	1,192,912	1,894,082
Manhattan Life ....	19,823,282	+161,129	988,488	11,296,889	69,449,423	+4,873,776	2,049,296	3,229,225	2,020,161	2,960,086
Monarch Life ....	4,816,640	+636,427	1,113,165	3,497,270	20,410,532	+1,888,189	619,907	3,530,589	169,784	2,901,181
Morris Plan ....	1,972,091	+125,920	1,406,517	56,466,154	37,675,642	+8,535,035	667,268	786,170	178,339	677,590
Mutual Life, Can. ....	169,508,057	+8,401,849	8,414,736	44,697,412	550,578,406	+12,633,119	17,965,614	28,555,271	15,599,380	20,048,998
Standard Life, Miss. ....	2,326,573	+432,686	727,864	17,443,259	25,732,392	+1,257,376	754,687	1,085,906	215,797	667,549
Union National, Neb. ....	452,527	+119,437	150,490	3,056,032	7,344,624	+2,014,539	227,998	256,566	25,440	154,761
United, Ill. ....	537,561	+43,924	250,785	1,549,179	10,131,695	+1,663,561	880,898	900,609	253,533	850,493
Western & Southern Life. ....	163,928,265	+10,400,794	23,153,173	166,247,620	868,874,515	+66,619,858	27,060,365	37,317,455	13,933,333	32,205,641
Yeoman Mutual ....	26,861,307	+1,260,195	1,482,494	6,570,634	94,242,427	+1,012,180	3,252,297	4,704,024	2,298,424	3,528,065

### FRATERNALS

	Total Assets	Change in Assets	Surplus to Policyholders	New Bus. 1937	Ins. In Force Dec. 31, 1937	Change in Ins. In Force	Prem. Income 1937	Total Income 1937	Benefits Paid 1937	Total Disburs. 1937
Fidelity Life ....	10,773,099	+584,069	1,346,778	5,680,122	53,110,933	+280,341	1,442,981	1,951,838	912,821	1,607,123
Modern Woodmen ....	72,217,590	+3,633,308	.....	68,509,606	603,904,633	+27,897,592	20,498,843	26,844,319	14,512,215	18,121,353
Polish Roman Cath. Un. ....	15,867,692	+1,287,093	.....	4,560,871	37,478,584	+1,613,946	1,931,549	2,781,952	1,025,010	1,965,464
Royal Arcanum ....	80,352,239	+86,675	3,315,655	4,772,139	90,914,993	+4,445,655	3,148,429	4,654,432	3,361,808	4,393,101
Standard Life, Kan. ....	13,317,908	.....	436,632	3,379,250	43,623,451	+1,386,125	1,301,439	1,908,415	1,632,716	2,075,620
Woodmen Circle, Neb. ....	29,124,098	+8,078,976	.....	13,041,835	107,781,336	+379,400	2,531,541	3,949,774	1,650,692	2,929,525
Woodm. of the Wd., Neb. ....	119,162,308	+3,018,818	7,624,661	79,731,275	409,665,723	+5,829,235	9,710,986	17,228,099	10,424,118	15,193,346

\*Includes accident and health department as follows: Income \$2,697,480, disbursements \$2,450,340.

\*Figures are on a revenue basis. \*Includes revivals.



## Two Officials Speak

R. B. Coolidge, Aetna Life, and J. A. Giffin, Phoenix Mutual Life, Give Valuable Sales Talks

HARTFORD—R. B. Coolidge, superintendent of agencies Aetna Life, and J. A. Giffin, assistant agency manager Phoenix Mutual Life, were the speakers at the second meeting of the lecture course sponsored by the Hartford Life Underwriters Association. Close to 200 attended.

Mr. Coolidge, speaking on "Buymanship," emphasized the importance of getting the prospect to put the pressure on himself. "Buymanship is the technic of leading the buyer to buy with a minimum of pressure by the salesman. A buyer must be made unhappy, or uncomfortable—people don't buy when they're comfortable—yet one must be subtle about the process." Particular stress was laid on the importance of advance study and programming one's sales talk before attempting to approach a prospect.

### Prospects Problems Should Be Analyzed

It is imperative that the salesman analyze his prospect's insurance problems, then convince the man of the minimum requirements necessary to adequately cover his needs and those of his family. Four major considerations here are the amount of cash which will be on hand in case of the prospect's death, his wife's future needs, educational funds, and possible retirement funds. During the first visit the salesman should get this prospect to establish rock-bottom requirements on these four bases, and force him to take a definite stand. In this way, the prospect puts the sales pressure on himself. "The vast majority of buyers don't realize that they're not caring for their families, they simply

see a lump sum, and have never analyzed it."

"Underwriters are today becoming more and more client-builders," said Mr. Coolidge. "Client-building is a real step toward increased business."

Speaking on "A Practical Sales Formula," Mr. Giffin emphasized first the importance of the salesman's attitude. "It is very important to whom we talk," he said, "but even more important the type of person whom we bring to that interview." Life men must steer clear of garbage thinking, he said and must be affirmative, courageous, self-confident, and forceful. There is no earthly reason for shame, as life insurance men are "right on the top of the heap, and can do nothing but good." They constitute the freest moving group in America, he said, and have a moral responsibility toward their fellow man which, if conscious, brings a feeling of real pride.

Mr. Giffin spoke of the future of the business for this year, and referred to the predictions of the American Association of Sales Experts, which expected a drop for the first three months of 1938, yet has planned for a better year on the whole than 1936. He mentioned the importance of concentrating on men in the lower and medium income brackets. He suggested the \$2,000-\$6,000 income class.

### Approach Life Insurance On a Career Basis

A man must approach life insurance on a career basis, and must work to build a following. It requires much concentrated effort at first, but this effort is inescapable if the salesman is to succeed. Recognizing the difficulty of plug-

ging consistently with no visible results, Mr. Giffin stated that "we must have a mechanical rabbit to chase," and proceeded to state his sales formula. These are the five parts to the formula:

1. Find out the prospect's needs.
2. Make him aware of these needs.
3. Find out how much he is shy of the minimum.
4. Present a solution that should seem reasonable to him.
5. Supply the willpower to cause him to buy today.

"I am out of patience with extremely low-pressure selling methods," said Mr. Giffin. "We must sell with dignity, true, yet we must bring people to decisions. People like to have decisions made for them." Once the decision is made, he said, the buyer will be grateful to the salesman for pointing the way and guiding him along.

Speakers at the third meeting will be Reid Hartsig and J. E. McNeal, both of the Travelers agency field service. Chairman at the last meeting was E. H. May, manager of the Phoenix Mutual home office agency.

### Hold Buffalo Steak Dinner

Members of the Dallas Life Managers Club and their wives feasted on buffalo steak as the guests of A. C. Raines, Great Southern Life, president of the club. The buffalo came from the famous Goodnight ranch, owned by the Great Southern, which ranch has one of the few remaining herds of buffalo. More than 100 attended the dinner.

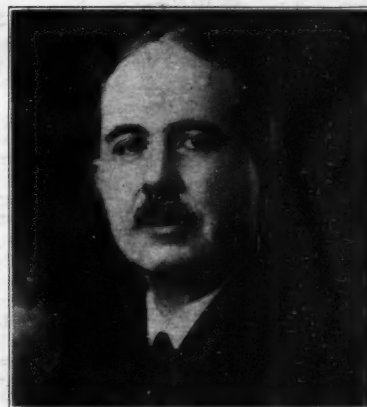
### Takes Paris, Tex., Post

W. H. Braselton has been appointed general agent of the General American Life at Paris, Tex., in charge of 12 counties. He has had 27 years of selling experience. He was general agent of the Missouri State Life from 1916 to 1933, and then went with the American National of Galveston in a similar capacity in Paris.

## Percy Evans Sees Sliding Loan Rate as Chaotic

### Northwestern Mutual Actuary Opposes Pink's Proposal at N. Y. Hearing

ALBANY—Introduced by Robert L. Hogg, counsel for the Life Presidents Association, Percy H. Evans, actuary Northwestern Mutual Life; James Little, actuary Prudential, and Wesley E.



PERCY H. EVANS

Monk, counsel Massachusetts Mutual Life, presented arguments to the assembly insurance committee against the Piper rate of interest on policy loan bill.

### Opposes Fluctuating Rate

Mr. Evans declared a fluctuating rate would eventually lead to hundreds of lawsuits, as it would be impossible accurately to determine when a policy had

# BERKSHIRE LIFE INSURANCE COMPANY

Incorporated 1851

PITTSFIELD, MASSACHUSETTS

## Report for 1937

### ASSETS

Cash .....	\$ 2,346,611
Bonds .....	18,286,676
Stocks .....	839,120
Real Estate Mortgages.....	14,011,454
Loans on Policies.....	10,776,683
Real Estate .....	10,708,411
Premiums Deferred, in course of collection .....	1,333,694
Interest and Rents, due and accrued .....	592,989
Miscellaneous .....	5,864

Total Admitted Assets.....\$58,901,502

### LIABILITIES

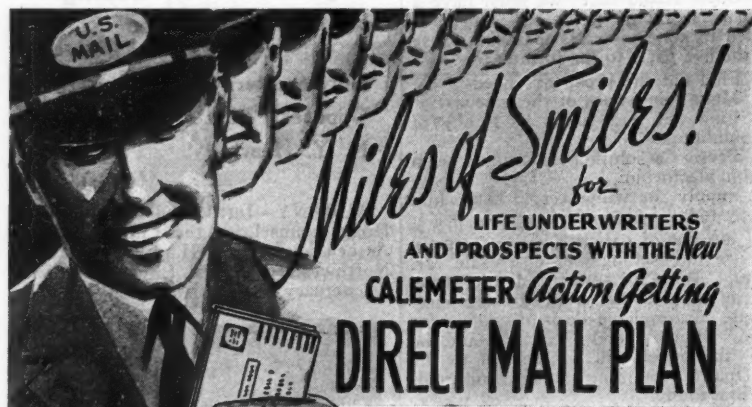
Policy Reserves (including Funds on Deposit) .....	\$55,996,776
Claims Due and Unpaid.....	none
Claims in Process of Settlement...	210,427
Accrued Liabilities .....	713,509
Dividends Apportioned .....	230,168
Reserves and Unassigned Funds...	1,750,622

Total Liabilities .....

Income .....	\$11,238,265
Disbursements .....	8,079,362
Excess Income .....	\$ 3,158,903

Insurance in Force as of Dec. 31, 1937 .....

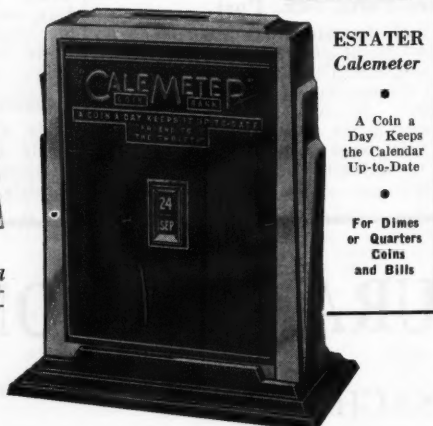
EIGHTY-SEVEN YEARS OF SERVICE TO POLICYHOLDERS



**Miles of Smiles!**  
for  
**LIFE UNDERWRITERS  
AND PROSPECTS WITH THE New  
CALEMETER Action Getting  
DIRECT MAIL PLAN**

Here's an exclusive made-to-order campaign that gives you a new and dynamic attention-arresting approach through Uncle Sam's mail service. It's your short-cut for extending contacts and turning prospects into policyholders.

Like CALEMETER itself, Calometer DIRECT MAIL gets quick action. It tells and sells the importance of saving for protection and future income . . . of teaching children thrift and saving for college education. It makes these savings easy and sure through Calometer. These colorful Direct Mail Folders (illustrated), convincingly show how a dime or a quarter a day finances a \$1,000 to \$5,000 policy by simply keeping Calometer's ingenious calendar up-to-date.



Both folders are furnished at nominal cost. Special space is provided for company or agent's advertisement. Don't pass up this new combination of Calometer and Direct Mail. It is a sure-fire business getter, thoroughly tested and successful. It paves the way for quick, dramatic demonstrations and signed applications.

**MR. LEMAN GOLDMAN**, Dist. Mgr., Equitable Life Assur. Soc., New Brunswick, N. J., writes—"Our Calometer Direct Mail Campaign, though it has been in force for but several weeks, is showing most gratifying results and it is my intention to continue this campaign indefinitely."

**Calometer Direct-Mail Plan is exclusive for Calometer users only. Capitalize on it now! Be the first in your city. Send today for samples and further details.**

**HOME OFFICE EXECUTIVES**—Write for samples and details of our cooperative plan and the savings you can effect for your agents.

Patented and Manufactured by  
**ZELL PRODUCTS CORP., 536 BROADWAY, NEW YORK, N. Y.**

**ZELL PRODUCTS CORP., 536 BROADWAY, NEW YORK, N. Y.**

I enclose \$..... for which

☐ Please send ..... Estater Calometer Banks at \$1.25 each postpaid, complete with samples of Calometer Direct-Mail Folders and booklet of field tested sales talks.

☐ Please send details only.

Name..... Title.....

Address .....

Company .....

**Mail  
THIS  
COUPON**

**AN "APP" A DAY The CALEMETER WAY**

lapsed by reason of the cash value being exhausted.

Mr. Evans pointed out that Northwestern Mutual has 113,000 policyholders in New York state, of whom 27,018 have received loans.

"Why the solicitude about the policy loan borrower?" he asked. "Any legislation that affects life insurance should have for its object primarily in view the status of the policyholder."

#### Analyzes the Consequences

The decreased interest rate would benefit one policyholder at the expense of three other policyholders, Mr. Evans said. He declared decreased interest means either increased premiums or reduced dividends to all policyholders.

Mr. Evans traced the history of the rate of interest provision. He said prior to 1919 it was stated at not exceeding six percent, but at that time the superintendent insisted that a definite interest rate be stated in the policy. He contended if the rate is to be changed, it should be made a fixed amount and incorporated in the policy. "The companies could work under such a plan," he said, but declared the fluctuating rate is entirely impracticable.

He said if the rate of interest were reduced, for example, to 4½ percent, that would result in a reduction in dividends to all policyholders of about 8 percent. "If you fix a lower ceiling on the rate for withdrawals, you also automatically fix a lower ceiling on the rate that the company can credit policyholders."

He inquired what would happen in the case of a New York company making a loan to a policyholder in another state where the rate of interest is fixed by the statute of that state. He said any advantage the lower rate will give to the minority policyholders who borrow would work an injury to the majority who do not.

Mr. Evans said the transaction is really not a loan, but an advance to the policyholder against his reserve. The transaction possesses none of the elements of a loan, like a mortgage. The loan lacks joint discretion. It is a demand obligation. Any policyholder has the right to demand a loan.

Policy loans have no maturity date, and under such a loan there is no means of enforcing the payment of interest.

At the conclusion of the hearing, Chairman Piper said he thought the bill would be reported.

#### Hold 1938 Meet in Miami

The General American Life will hold the 1938 convention of its production clubs in Miami, Fla. The clubs are known as the President's Club and Leadership Club.

## NEWS OF WEEK

C. J. Zimmerman, general agent Connecticut Mutual Life in Chicago talks on **life insurance as an investment** before the Business Women's Forum. **Page 1**

New York governor makes **special demand** for savings bank insurance. **Page 1**

New York department's special report on Metropolitan Life answers critics of **industrial life insurance**. **Page 1**

Superintendent of Agents R. B. Coolidge and Assistant Agency Manager J. A. Giffin, Phoenix Mutual Life, lecture before **Hartford Life Underwriters Association**. **Page 5**

New York "World-Telegram" denies its **attacks on industrial** are aimed at abolishing it. **Page 4**

The joint legislative committee on the New York **insurance code revision** is now putting it into final form for introduction in the legislature. **Page 18**

Program is announced for the eastern special conference of the **Life Office Management Association**. **Page 4**

Program for mid-year meeting of **National Association of Life Underwriters** in Richmond announced. **Page 3**

## Grand Rapids Agency Is Honored by Mutual Benefit



**RALEIGH R. STOTZ**

The "President's Trophy," highest agency honor of the Mutual Benefit Life, has been awarded to the Grand Rapids agency for "all around excellence in agency performance during 1937." The trophy, a bronze plaque suitably inscribed, was presented at a gathering of general agents by President J. R. Hardin to General Agent R. R. Stotz who accepted it on behalf of the members of his agency. Factors considered in the award were more related to quality than to quantity: quality of new business, quality of agency building, high-grade performance from established organization and persistency of business were among the determining factors. Honorable mention went to the agencies at Denver, Louisville, Providence, Washington, D. C.

No small part of the credit for the Grand Rapids agency's fine performance is due General Agent Stotz, for the outstanding quality of his leadership has inspired his men to consistently high accomplishment since the agency was established in 1931. Born at Vollandia, Ind., in 1893, Mr. Stotz received his A. B. degree from Indiana State Teachers College. In 1921 he left educational work in the army to enter life insurance with the Mutual Benefit. He began his selling career in Washington, D. C., and in 1922 joined the Detroit agency as assistant to the general agents. For a few years before his appointment in 1931 as general agent at Grand Rapids he managed the state division of the Detroit agency. In June, 1930, he was one of four men in Michigan to have won the C. L. U. designation.

#### Entertain Robertson in St. Louis

Superintendent Robertson of Missouri was the guest of honor at a dinner given by the General Agents & Managers Association of St. Louis. Frank Vesser, chairman of the organization, presided. The purpose was to enable Superintendent Robertson to become better acquainted with the heads of the various life agencies in St. Louis. About 50 persons attended.

#### Appointments in Maine

N. C. Estabrook, formerly with the New England Mutual Life in Maine, has been made general agent for the State Mutual Life with headquarters in Houlton, Me. The New England Mutual, H. P. Cooley, general agent at Portland, announces the appointment of L. S. Greenlaw, Presque Isle, as Aroostook county manager for that company. He has been agent there for the last 12 years. Chandler Farley, formerly New England Mutual representative at Bridgewater, Me., now goes to Houlton for the same company.



## Can't Rest on Laurels; Push Prospecting Program

"Knute Rockne said, 'You can't win this year's football games on last year's clippings,' and we in the life insurance business can't make a good record by reading our records for 1927-1929," declared Hugh C. White, Detroit general agent Connecticut Mutual Life, at a meeting of the Detroit C. L. U's.

Life underwriters should follow the "six to one" rule—"have at least six times the number of prospects available each month that is required to write the amount of business you want to write that month. We are all familiar with the methods of prospecting—endless chain, centers of influence, personal observation, cold canvass and direct mail. In my opinion the centers of influence, personal observation and direct mail will prove most satisfactory under present conditions.

### Four Questions to Ask

"Ask yourself four questions about the prospect you plan to interview: First, has he satisfactory buying power?; second, have you got sufficient information about him on which to base an intelligent proposal? This requires digging in and hustling and asking people who are in a position to know about your prospect.

"Third, do you see prospects on a favorable basis? Making the interview at a favorable time and under satisfactory conditions requires the use of your best judgment.

"Fourth, ask yourself if you have something on the ball when you see the prospects.

### Prospecting Is First Job

"Prospecting is a job which must be continuously in front and is the first thing to do always in the job of life underwriting. Selling life insurance today requires a man to do a lot of thorough and sensible thinking. He must have a working knowledge of simplified programming so that he can tell an interesting story. It will pay you to make a continuous effort to build your birthday file which will give you an opportunity to build a valuable age change file.

"The five cardinal points in selling life insurance are these: First, never argue; second, never talk life insurance; third, always talk life; fourth, get agreement from your prospect on the major points of your sales talk and fifth, don't let the prospect write the rules, write them yourself!

"It is valuable to quote authorities on life insurance in your solicitation. For example—my bankers told me so and so; the majority of my clients feel this way about it; the last three men I talked to gave me this viewpoint. In other words, don't take my word for it! Words alone will not get over your message; it is your manner that counts.

"Ask yourself these seven questions: Do I have appropriate opening remarks? Are they interesting? Do I develop the need clearly? Do I employ confirmations and especially on this point get agreement? Do I explain the plan simply? Do I use visual appeal? Do I know where and when to mention the price? Do I plan the close?

### Study Closing Methods

"Write out and study your methods of closing and learn to tell an interesting and motivating story. Here are the 10 primary methods of closing: Age change, ability to pass examination, motivating story, start arranging for payment of premium, arrange for income settlement, ask for check, direct question to buy, start writing the application, decision on a minor point, and banking close.

"There is a definite formula for production: the number of interviews times your closing percentage times the size

of your sale and you get the result of your production. If you are interested in increasing your income, you must have more interviews times your average profit to get a larger income.

"Three simple but excellent rules for success in life insurance underwriting are: be natural, be yourself, and be humble. The optional settlements of your life insurance contracts are equivalent to money management. There is talk of restricting the present liberality of these options and I really believe that the life underwriter of today has an outstanding opportunity to present his contracts as a bargain and should become enthusiastic over the opportunity to capitalize on selling one of the most outstanding life insurance contracts ever offered to the American public."

### Putting Money in Pocket

#### Assistant Superintendent Eteson of the State Mutual Life Outlined Three Essentials in Sales Plan

ST. PAUL—"Life insurance selling is the art of encompassing a life's objective within the bounds of an annual premium," said James H. Eteson, assistant superintendent of agencies State Mutual Life, in a talk outlining the three essential principles of any successful plan for selling life insurance.

Mr. Eteson spoke on "Money in Your Pocket," before a meeting of the St. Paul Association of Life Underwriters, coincidental with a visit to State Mutual's three agencies in the Twin Cities.

#### Three Elements Outlined

"Test these three principles against any single plan or thought you use with good results, and you will find that it fits into the picture," Mr. Eteson suggested, and went on to outline the three elements:

1. We must know a lot of people and have them like us and respect us.
2. We must tell a good story and tell it well.
3. We have to work—and work in accordance with some plan.

Speaking of the first element he said: "It may be all very well in some kinds of business to think of this country as a country of sales outlets instead of a country of people," adding that personal contact is and always will be the important part of the prospecting job.

After explaining the correct attitude towards presentation, Mr. Eteson summarized it by saying: "Let's make people see life insurance at work, as the sole medium of income for hundreds of thousands of families."

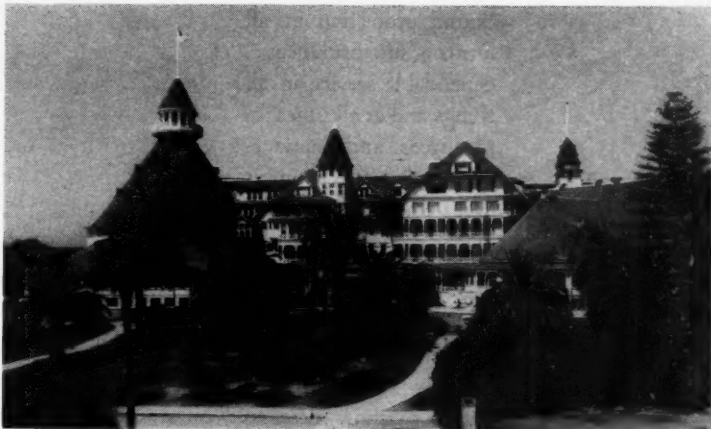
#### San Francisco Congress Plans

SAN FRANCISCO—"Dollars, Sense and You, Inc.," is the theme of the San Francisco sales congress April 14, according to C. W. Peterson, general chairman. Indications are that more than 1,000 life men from northern California will attend the congress, which is sponsored jointly by the San Francisco and Oakland-East Bay Life Underwriters Associations. Interpreting the theme will be Vincent B. Coffin, vice-president Connecticut Mutual Life; John Marshall Holcombe, Jr., Sales Research Bureau, and a number of members of the Quarter Million Round Table of the San Francisco association, who will present a panel discussion on "The 1938 Selling Process."

M. Albert Linton, president Provident Mutual Life, is to be the principal speaker at a banquet to be held on the evening of the sales congress, sponsored by the San Francisco General Agents & Managers Association.

# YES!

## THE LEADERS WILL BE THERE



### WESTERN REGIONAL CONVENTION

LNL club members from the Pacific Coast and western territory of The Lincoln National Life will meet at the Hotel Del Coronado, San Diego, California, June 22, 23, and 24. Amid ideal surroundings, those in attendance will work and play for three memorable days.



### EASTERN REGIONAL CONVENTION

On July 13, 14, 15 of 1938—LNL honor club members from the eastern and central territory of the Lincoln National Life will convene at the Grand Hotel, Mackinac Island, Michigan. Hard-hitting one-half day sales meetings and carefully planned entertainment features insure a worth-while time for those attending.

THE LINCOLN  
INSURANCE



NATIONAL LIFE  
COMPANY

FORT WAYNE, IND.

ITS NAME INDICATES ITS CHARACTER

## For Every Purpose

Sound protection in all forms of life insurance... dependable service in all things and at all times... resources and management adequate to meet every emergency—

That, briefly, is the service offered you by this strong, nationally prominent institution... one of the few American companies to show increases in assets and insurance in force each and every year since its inception.

Competent advisory service is available to every Continental agent, large or small, in serving the best interests of his or her clientele.

# Continental

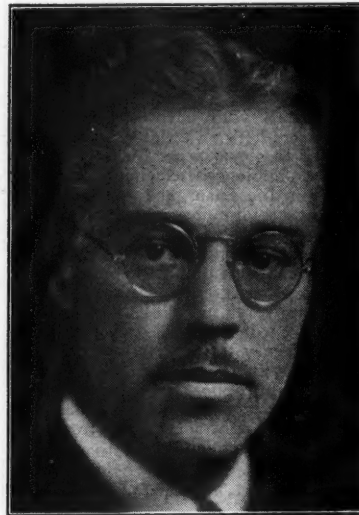
## ASSURANCE COMPANY

CHICAGO, ILLINOIS

*Affiliated with*

## CONTINENTAL CASUALTY COMPANY

## Penn Mutual Life Changes

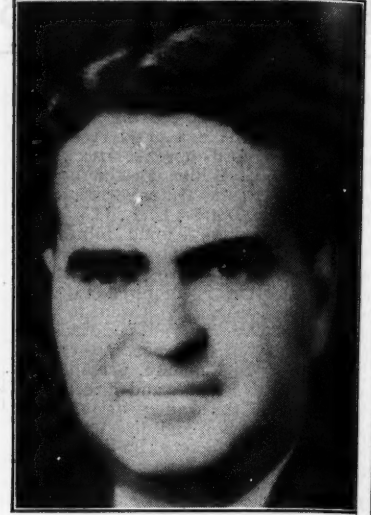


PHILIP O. WORKS

The Penn Mutual Life announced two important changes. Philip O. Works, for the last four years general agent at St. Louis, has been transferred to Rochester, N. Y., as general agent for the Rochester-Syracuse territory. E. P. Connolly, who joined the Penn Mutual eight years ago in central Illinois, has been appointed general agent at St. Louis, succeeding Mr. Works.

Mr. Works entered life insurance in 1926 at Orlando, Fla., and soon afterwards transferred to the Penn Mutual's general agency in that state. In May, 1928, he joined the newly formed Penn Mutual agency of Ralph G. Engelsman in New York City. Later in that year he was appointed its supervisor, and in January, 1930, was promoted to agency director. He was appointed general agent at St. Louis four years ago.

Mr. Works has served as first vice-president of the St. Louis Life Under-



E. P. CONNOLLY

writers Association, as president of the General Agents & Managers Association of that city, and has worked on committees of both the New York and St. Louis associations. He has addressed sales congresses in Pittsburgh, Des Moines, New Orleans, San Antonio, Houston, Dallas and other cities, and has written many articles.

Mr. Connolly joined the Penn Mutual in January, 1930, and has continuously worked in Central Illinois. The first five years Champaign was his headquarters. The last three years have been spent with the F. A. Schnell agency in Springfield, as district manager, in recruiting, training and other supervisory work. He was a member and served a term as vice-president of the Champaign Life Underwriters Association, has been a speaker at many association meetings and has contributed various articles to the insurance press.

### District Group Supervisors Appointed by Travelers

Several changes in the group department have been made by the Travelers. J. N. Nelson, formerly assistant manager life, accident and group departments in Minneapolis was promoted to district group supervisor with supervision of Minnesota. F. E. Carver, formerly assistant manager life, accident and group departments in South Bend, was promoted to district group supervisor in Buffalo. He will report to the offices at upstate New York, with headquarters at Buffalo, Rochester and Syracuse. W. N. Seery, group assistant at the Newark office, becomes district group supervisor there.

John A. Collins, assistant district supervisor of the Milwaukee office, has been made district supervisor, his territory to include all Wisconsin.

S. K. Blackley, who was a field assistant at Charlotte, N. C., has been made district supervisor. The Charlotte office will remain Mr. Blackley's headquarters and his territory will include North Carolina and Virginia.

### Equitable's Texas Conference

DALLAS—Organization plans were discussed by the new Texas agency of the Equitable Society at a one-day conference here in charge of W. W. Klingman, general manager for Texas. Attending were Lloyd W. Klingman of Dallas, Chester W. Klingman of San Antonio and Harold Rossman of Houston, regional agency managers, and unit and district managers from all parts of

### Leaders in New Hampshire Are Given for Last Year

Leading items in the figures of life insurance companies in New Hampshire are giving in a preliminary statement issued by the New Hampshire department. In new business the Metropolitan leads with \$6,797,997 ordinary, \$2,982,840 group, \$8,623,822 industrial and \$3,539,000 annuities. The Prudential shows \$2,954,669 ordinary, \$172,450 for group, \$5,258,145 industrial and \$4,425 annuities. The John Hancock Mutual wrote \$2,618,133 ordinary, \$526,715 group, \$2,999,256 industrial and \$31,431 annuities.

Other leaders in ordinary were the New England Mutual Life, \$1,969,313; Mutual Benefit, \$1,729,766; National Life, Vt., \$1,425,809; New York Life, \$1,337,998; Mutual Life, N. Y., \$1,174,968; Aetna, \$828,372; Mutual Trust Life, \$833,924; Northwestern Mutual, \$679,253; Massachusetts Mutual, \$673,773.

The Connecticut General, which wrote \$599,563 ordinary, also wrote \$1,030,888 group.

The total ordinary business in the state was \$20,372,918; total group, \$5,628,945; total industrial, \$17,148,433; annuities, \$3,761,594; total of all classes, \$54,911,891.

The total insurance in force at the end of the year in the state was \$409,840,016. Premiums received during the year were \$15,702,108.

Texas. Also present were A. M. Sloan, educational director of the agency, formerly at the home office; James Bell, formerly of Atlanta, now group supervisor at Dallas, and O. W. King, assistant medical director in charge of the southern department.



## Leading Producer of Columbian National Dies



LOUIS J. ROSENBERG

Louis J. Rosenberg, general agent for the Columbian National Life at South Bend, Ind., died after a prolonged illness of more than a year. Mr. Rosenberg was both president and secretary of the Star Producers Club, the former position designating the producer with the largest volume of paid life insurance during an 18 months qualifying period. He was secretary of the club for the third time by reason of the fact he qualified for membership before any other agent. He had been with the company for 14 years, during that time establishing more sales records than any member of the field organization. Mr. Rosenberg was born in Monterey, Ind., and went to South Bend 18 years ago. He was actively associated with the South Bend Association of Life Underwriters and took part in various civic enterprises. Due to illness he was unable to participate in the Columbian National's recent conference in Bermuda, his post being assumed by Russell A. Freeman, Idaho Falls, Idaho.

## Investment Cost Survey Is Now Seen as Essential

(CONTINUED FROM PAGE 3)

and long distance) and telegrams. Rental for floor space occupied by the investment department also should be allocated to investment costs, if rent is actually paid for the home office space, but not if the home office is owned by the company.

"Some study in the individual company may be necessary to work out a practical, simple way of maintaining the desired data, as for instance in the case of postage. The majority of life companies today use metered mail."

"The proper proportion for the meter rental cost and the postage should be allocated to the investment department. If only one meter is used, special count will have to be maintained on the investment department mail."

### Mail Usually Bulky

"It should be remembered that much of the mail going out from the investment department of a life company is in bulkier form, being legal documents, abstracts of title and the like, therefore requiring a great deal more postage per piece than probably any other mail matter emanating from the home office. A larger company, of course, can afford to maintain a separate meter for the investment department which will keep absolute check on this item."

"Incoming and outgoing telephone and telegraph messages having to do with the investment end should be re-

corded and charged against investment costs. This item alone in most companies is substantial. In fact it will be found the total of these items is quite large."

Mr. Chambreau said the large companies have been watching the investment cost item very closely for some time, but generally smaller companies have not done so. The amount that they may save on the tax may be quite large. For instance, with \$10,000,000 invested assets, he said, the maximum deduction for investment cost would be \$25,000 where no detailed accounting is made of this item. However, according to figures covering results of the last two or three years, the actual cost probably would run from \$50,000 to \$100,000.

Alex Cunningham, vice-president and treasurer Western Life, as chairman at the mid-winter meeting of the American Life Convention Financial Section held in Chicago, reported a survey showed for 47 companies in the last three years investment cost was close to 1 percent of invested assets and was steadily rising. Much of this is due to the large amount of real estate taken over by many companies and the necessity to spend much money for repairs, management, etc., until it could be sold. The 1937 figure for 35 companies was .968 of 1 percent, Mr. Cunningham said.

Therefore, a company with \$10,000,000 invested assets, by maintaining careful investment cost accounting, if it had investment cost of .968 of 1 percent, would save in one year alone the 15 percent tax on the difference between the \$25,000 maximum and the \$96,800 of actual cost, or a matter of \$11,770 tax saved, Mr. Chambreau said.

This important matter of investment cost occupied much of the A. L. C. Financial Section meeting. M. H. LeVita, statistician, Fidelity Mutual, explained a method of investment department cost accounting by means of tabulating machines, and Grant Torrance, assistant treasurer Business Men's Assurance, told of a B. M. A. investment cost survey last year. The subject is definitely spot-lighted this year.

### Ohio National Leaders Trip

Leading producers of the Ohio National who are members of the \$250,000 club will go to Key Largo, Fla., on a fishing trip March 5-10. T. W. Appleby, president; Grant Westgate, assistant superintendent of agencies, and A. W. Theiss, publicity manager, will represent the home office.

### Cincinnati Sales Congress

The annual tristate sales congress March 10 at the Hotel Netherland Plaza, Cincinnati, will feature several nationally known speakers and a series of practical eight-minute talks by leading local producers. The meeting will last throughout the day and there will be a luncheon.

### Aetna Life Actuary Dies

M. H. Peiler, 88, Aetna Life actuary, died Tuesday at his home in Hartford. He had been connected actively with the company for more than 60 years, until his retirement five years ago. He was known as a journalist and sportsman. He had for years been a regular contributor to "Forest & Stream." Born in Germany, he came to this country in 1868, and became associated with William Scheffler, consulting actuary for several life companies, including the Hartford Life and the Aetna Life. In December of the same year he became a clerk in the actuarial department of Aetna Life. He was elected actuary in 1918.

Robert Seiberlich, veteran life agent in Minneapolis, has been appointed by Governor Benson a member of the Minnesota athletic commission. This will be the second time he has served on the board. Mr. Seiberlich represents the Reserve Loan Life at Minneapolis.

"With this ring I thee wed" headlines a picture of a bride and groom in the Metropolitan advertisement in the March magazines.\* A ribbon flows from the Marriage Service book to a Metropolitan Family Protection Policy—suggesting that there is a relation between the two.

The copy supports the sound doctrine urged by experienced Field-Men—that with every marriage certificate there should be a Life insurance policy for the protection of the bride.

The message tells young people of the comfortable feeling of security the Family Protection Policy gives... how it can be made a practical foundation for youth's bright hopes and ambitions.

\*Business Week, Collier's, Cosmopolitan, Forbes, Nation's Business, Saturday Evening Post, Time.



## METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, Chairman of the Board  
Leroy A. Lincoln, President

ONE MADISON AVE., NEW YORK, N. Y.

## REPORT ON METROPOLITAN LIFE METHODS

(CONTINUED FROM PAGE 1)

the ordinary branch, because the mortality in the former is 40 percent greater than in the latter. A proper basis for net cost comparison would be about midway between intermediate and special class.

### Average Policy Is \$244

Mr. Weinstein reports that the average amount of insurance per premium paying industrial policy (weekly and monthly combined) in force at the end of 1936 was \$244.84. The corresponding figure for ordinary policies (excluding the \$5,000 whole life but including monthly debit) is \$1,506. Thus for a given amount of insurance, there are about six industrial policies for each ordinary one. It costs more to handle the larger number of policies. The

Metropolitan has taken great pains to reduce this cost to a minimum by the use of mass production methods. Wherever possible, detailed records of each policy are not maintained at the home office. The administration of the business has been simplified at several points. For instance, payment of dividends is made in only one form and at the beginning of the calendar year rather than at policy anniversaries. In policies issued prior to 1937 only one form of non-forfeiture benefit besides the cash value is used.

### Cost of Weekly Calls

At the end of 1936 the field force included 860 managers, 2,182 assistant managers and 21,185 agents. Most of the time and effort of this army of men,

according to Mr. Weinstein, is concerned with industrial insurance. Each family must be visited each week for the collection of premium or each month where the business is on the monthly basis. An agent frequently must make several trips to collect the premium. If this system were not employed much of the business would cease to remain in force.

Mr. Weinstein states that industrial insurance has been of inestimable value to millions of the people and the institution could not have grown to its present proportions without the field force. The fact that it is so large has permitted the introduction of mass production methods and the consequent reduction of unit cost. The organization has been brought to a high degree of efficiency and, considering the services rendered, the cost is not excessive, he said.

### Problem of Terminations

Mr. Weinstein investigated the problem of terminations. Lapses are undoubtedly heavy, he declared, and represent the major waste of the business. However, he pointed out that a large proportion of the lapses occur shortly after issue of the policy. Of the policies which lapse before premiums have been paid for three years, 20 percent lapse after paying a premium for only one week. Since there is a grace period of four weeks, the policies which lapsed after paying only one week have had adequate value for their money.

A large proportion of the policies that lapsed are reinstated shortly afterwards. The Metropolitan Life, he said, has been very liberal in its reinstatement policy.

Mr. Weinstein undertook to make a study of the cost to the policyholders of lapsation. He found that in weekly policies where the premiums have been paid for less than one-quarter year, the average loss per policy would be about 82 cents and where the premiums have been paid for less than one-half year, the average loss would be about \$1.44.

### Millions Lost Annually

He estimated that about 85 percent of the premiums paid on policies which lapsed within three years represent a loss to the policyholder. This loss runs into millions of dollars annually. It represents the waste of the business and is due to the lost motion in writing policies, placing them on the books, collecting premiums for a time and then terminating the contract.

He said there is justice to the criticism against the large volume of terminations shortly after issue. This waste has challenged the best efforts of the Metropolitan Life in the attempt to reduce them, he said. Much of the effort to reduce termination centers about the agent. One of the agent's major duties is the conservation of business on his debit. His salary is made to depend on the effectiveness of his efforts at conservation and this is especially true of policies that are in their first year.

### No Profit to the Company

It is questionable whether the aggregate lapses result in a net gain to the company and this furnishes another reason why the company is anxious to conserve the business.

Mr. Weinstein gives the results of study on the average weekly compensation of managers, assistant managers and agents. In 1936 the average for the managers was \$187.87, for assistant managers \$69.61 and for agents \$49.65. Managers had their highest average in 1930 with \$21.16. Assistant managers had their best average in 1929 with \$78.22 and the agents also had their highest in that year with \$56.37.

The average field representative earns a fair income and may look forward to a very good income as his position improves, Mr. Weinstein observed. This should serve to attract high-grade individuals to the field force and should serve to reduce turnover.

There is very little turnover among managers and assistant managers.

The average number of agents in 1936 was 21,180. Controllable finals numbered

3,903, the percentage being 18.43 percent. Mr. Weinstein gives a table showing these figures since 1908. With two or three interruptions there has been a pretty steady reduction in turnover. In 1908 the percentage of such turnover was 76.6. This decrease, he said, reflects the efforts of the Metropolitan in improving conditions under which agents work and the apparently increasing satisfaction of the agency force with those conditions.

Mr. Weinstein pointed out that often a vacancy in a debit is filled three or four times during the year before an agent is found who can qualify permanently to take the place of the original agent. This serves to increase the turnover figures. Mr. Weinstein expressed the belief the rate of turnover now being experienced is not very large and probably compares favorably with turnover in other type of sales forces.

The report takes up the matter of insurance on children. He observed that until recent years practically the only sources of insurance on the lives of children were fraternal and industrial. One of the features of industrial insurance has always been that it could be written on children. A large proportion of such insurance has been written on the instalment plan.

### Much Endowment on Children

For the years 1927-36 there were 12,129,998 policies written on the lives of children, that being 32.51 percent of all industrial policies written. By amount of premium, the ratio was 23.91 percent. There has been a downward progression with years of issue but the progression is not very rapid. About half of the policies and premiums of juvenile policies were on the endowment plan. A large proportion of the policies written at ages one to nine are written at age one next birthday. This proportion ranges from about one-third to one-half of the policies written on the lives of children.

Mr. Weinstein observed that the public has been made insurance-conscious and the desire for insurance has naturally descended to one's own children. The agents have therefore found a ready market for this business. The need for protection is not very great, practically the only need being to provide burial expenses in case of death. But the desire to provide for the child's future is readily expressed in the purchase of an endowment. Metropolitan Life has found that frequently a whole life policy on a child will not be considered. The parent desires endowment or none at all.

### Seeks to Preserve Balance

Metropolitan Life is especially careful to guard against writing insurance on the life of a child at the expense of adequate insurance on the life of the wage earner. All applications on the lives of children are examined with this in view. If the application is for 25 cents or more and there is little or no insurance on the wage earner, a letter is sent to the manager of the district for his personal attention. The manager must make a report on the case. Metropolitan Life is anxious to prevent writing of excessive insurance on children, especially insofar as endowments are concerned.

On Jan. 1, 1937, Metropolitan Life discontinued the 15-year endowment plan. That caused an increase in the writing of 20-year endowments. Such contracts have a lower price than the 15-year endowments. The total writing of endowments, according to Mr. Weinstein, is ultimately bound to be reduced by being limited to but one plan.

### Should Push Monthly Premiums

Mr. Weinstein voiced the belief that a large part of the population desires insurance on children and is in position to pay monthly premiums. He suggests therefore that monthly premium policies be written on the lives of children. Monthly premium policies have had a much better experience insofar as lapse is concerned. Because of the saving in expenses, more insurance may be had

# GREAT SOUTHERN LIFE INSURANCE COMPANY

## Twenty-ninth Annual Statement

DECEMBER 31, 1937

### ADMITTED ASSETS

First Mortgage Loans		
Farm and Ranch.....	\$ 5,130,958.16	
City Property .....	14,581,428.12	\$19,712,386.28
<small>Secured by first liens on real estate worth more than twice the amount loaned.</small>		
U. S. Government and Other First Class Bonds.....	4,944,950.32	
Real Estate .....	5,791,706.53	
<small>Improved and revenue bearing.</small>		
Policy Loans and Premium Notes.....	12,101,191.32	
<small>Within the reserve.</small>		
Cash in Banks.....	2,543,615.24	
<small>Subject to check.</small>		
Collateral Loans .....	787,039.56	
Interest and Rents Due and Accrued.....	414,375.19	
Net Premiums in Process of Collection.....	1,254,759.09	
<small>Secured by legal reserve.</small>		

**TOTAL ADMITTED ASSETS..... \$47,550,023.53**

### LIABILITIES

Full Legal Reserve on All Policies.....	\$41,902,130.00
<small>For protection of policyholders as required by law.</small>	
Claims Due and Unpaid.....	None
Claims Reported but Proofs not Received.....	111,974.00
Interest and Premiums Paid in Advance.....	534,492.82
Reserve for Taxes.....	61,918.64
Sundry Liabilities .....	218,309.28
<small>Including various suspense items.</small>	

**TOTAL LEGAL LIABILITIES..... \$42,828,824.74**

### ADDITIONAL FUNDS FOR PROTECTION OF POLICYHOLDERS:

Fully Paid Capital.....	\$3,000,000.00	
Fixed Surplus .....	1,000,000.00	
Extra Reserve for Contingencies.....	721,198.79	4,721,198.79
<small>Which may or may not occur.</small>		

**TOTAL TO BALANCE ADMITTED ASSETS..... \$47,550,023.53**

### Summary of Notable Gains in 1937

Gain in Admitted Assets.....	\$2,793,051.13
Gain in Business in Force.....	9,274,594.00
Gain in Reserves.....	2,475,275.00
<b>TOTAL INSURANCE IN FORCE.....</b>	<b>\$242,737,130.00</b>

E. P. GREENWOOD  
President



Home Office  
HOUSTON, TEXAS



for a given premium. He suggests that the thrifter class of people who are in a better position to afford endowment insurance, might be given a certain amount of freedom in purchasing such coverage under monthly premium policies. The large class of people who are weekly premium payers might at the same time be limited more severely to the purchase of life insurance. The Metropolitan Life is giving consideration to these suggestions.

He suggests that a lower rate of compensation be paid to agents for endowment premiums than for life. He said he appreciates, however, that such a change would militate against the idea of standardization and simplicity that prevails in the business and would increase the cost of handling agents' accounts. This suggestion is being considered by the company.

There is nothing to prove that the volume of insurance on children is excessive, he said.

Mr. Weinstein reviews the liberalizations in the terms of the policy that were introduced on Jan. 1, 1937.

#### Ten Percent Allowance

He takes up the 10 percent allowance feature. The industrial contract provides that if premiums are paid continuously for one year to an office which maintains an account for the receipt of such premium, the Metropolitan will refund 10 percent of such premiums at the end of the year. Policyholders have taken advantage of this provision to an increasing extent. In 1936 the percent of the total debit that was taking advantage of this arrangement was 27.5 and the 10 percent allowance disbursement amounted to \$6,850,918. In 1927 13.4 percent of the debit was taking advantage of the provision and the allowance disbursements amounted to \$2,317,768.

#### Satisfies Genuine Need

This service has been satisfying a genuine need, he said, and the figures may be expected to continue to increase.

However, the major part of the business is likely never to be on this basis. The office where payments may be made is often located at a distance from the policyholder's home and carfare would have to be spent to deliver the premium. Many policyholders would not voluntarily go to an office to pay a premium but would pay under the stimulus of the agent's regular call.

Monthly premium policyholders do not have the same privilege because of lower loading for service calls. A reduction of only 2 percent of the premium could be granted for direct payment in connection with monthly policies.

#### Problem of Valuation Rate

Although the valuation rate was changed to 3 percent for ordinary policies it remains 3½ percent for industrial. The Metropolitan Life has not made a final decision. It is anxious to retain its present scale of industrial premiums. If it did so while reducing the valuation rate of interest the only effect would be to increase reserves and surrender value. That would be a source of weakness rather than strength. The matter is being earnestly considered by the company.

Mr. Weinstein is quite enthusiastic about the health and welfare work conducted by the Metropolitan. In 1936 the company made 3,717,000 nursing visits on 675,700 cases or approximately 30 cases per thousand policyholders. The average cost per visit was about \$1.02.

#### Cost of Welfare Work

In 1936 in the industrial department Metropolitan Life spent \$3,567,971 for policyholders' health and welfare; \$4,678,826 for employees' health and welfare; \$996,119 for general welfare.

The money spent for health and welfare has been well spent, according to Mr. Weinstein and at least a part of it is returned in the form of reduced mortality costs. But of even more im-

### Rodlun to Open Office as an Advertising Consultant

WASHINGTON, D. C.—T. M. Rodlun has resigned as advertising manager of the Acacia Mutual Life. After a vacation he plans to serve several businesses and organizations in Washington, D. C., and act as advertising and sales promotion consultant, specializing in life insurance direct mail advertising and sales promotion in association with magazine work. He went with the Acacia Mutual on Sept. 1, 1929, as advertising manager. He has written a number of articles on advertising and merchandising subjects.

Since 1931 he has for five separate years won for the Acacia Mutual on different advertising and sales promotion campaigns the award as one of the 50 direct mail advertising leaders of the United States and Canada made by the Direct Mail Advertising Association. He has gained distinction in his advertising work with the Acacia Mutual and is best known in life insurance for his creation and development of the "Your Assistant Salesman" mail advertising plan for the company. He is at 4000 Cathedral street.

portance, he said, is the fact that the Metropolitan not only pays death claims, it seeks to prolong the life of its policyholders. It has been a pioneer in the development of this field and at present is taking the leading part in the work.

Mr. Weinstein tells of the efforts that are made to locate persons to whom unclaimed equities are due. There is quite a number of paid up policies, where the insured has probably died without knowing that he had any equity. There are about 20,000 cases in the active file. As of Dec. 31, 1936, there were outstanding 6,675,193 paid up policies with a total reserve of \$223,392,037. Most of these arose through the operation of the non-forfeiture clause and in many of them there has been no contact with the insured for a long period. The company goes to considerable expense in an endeavor to locate those to whom funds are due. The supplementary contracts account, most of which consist of unclaimed equities, amounted to \$4,370,866 at Dec. 31, 1936. Many of the payees, Mr. Weinstein declares, will never be located and some disposition will have to be made of their share of the fund. Suggestion has been made that it be turned over to the state.

#### Weinstein Makes Suggestion

Mr. Weinstein states that it would seem that since the fund arose through the operation of the industrial business it would be more equitable to return it to such business and make it available partially to offset the cost of locating payees.

Mr. Weinstein recites the efforts that Metropolitan makes to avoid issuing speculative insurance. He tells of the test checks that are made.

"Much of the criticism and dissatisfaction with industrial insurance," Mr. Weinstein concludes, "arises wholly or partly through the failure of policy holders to familiarize themselves with the terms of their policies, or their rights thereunder. This is probably due in large part to the lack of education among industrial policyholders, but in any case the unfamiliarity is so widespread among them that it appears to be relatively easy for erroneous ideas to take root and grow. It is believed that a matter as important in our economic life as insurance should receive more attention in our schools."

"Business of industrial insurance has not been stagnant. While it has grown in volume, it has also grown in other ways. Its scope has been broadened, its efficiency has been improved, its costs have been lowered. The growth will undoubtedly continue, but changes can only be made after mature thought and with the principle in mind that this insurance is designed for the low income classes of the population and the costs must therefore be kept down."



## 45% B. M. A. SALESMEN WIN HONOR CERTIFICATES

So basic is the B. M. A. plan of selling Complete Protection that more than 45% of the salesmen won membership in the Company's Honor Clubs last year.

This, we believe, is an outstanding record . . . a record made possible because B. M. A. salesmen have a complete personal protection service to offer.

That's why B. M. A. salesmen in every section of the country continue to report an ever increasing volume of sales. They are selling all three forms of personal protection—COMPLETE PROTECTION—which includes—Accident, Health and Life Insurance.

# BUSINESS MEN'S ASSURANCE CO.

Kansas City, Mo.

W. T. Grant, President  
J. C. Higdon, Vice President in charge of sales

## EDITORIAL COMMENT

### A Belated Qualification Made to the Series

THE REVELATION that the New York "World-Telegram," which has been running a daily series of inflammatory articles attacking industrial insurance, is seeking reform rather than junking of the entire industrial end of the business, is encouraging. It is encouraging not because of any particular harm that the series might do to the industrial end of the business or the institution of life insurance, but because it would indeed be a bad omen if men as presumably intelligent and responsible as the editors and writers of the "World-Telegram" could actually be convinced that industrial life insurance has no place in America's economic life and that savings bank life insurance, if given a chance, would do the

job of industrial insurance and do it cheaper.

S. BURTON HEATH, writer of the series, says he had no intention of giving the impression that the "World-Telegram" was attacking industrial insurance as an institution or was proposing savings bank life insurance as an effective substitute. It is unfortunate that many readers in the insurance business and outside it gained from Mr. HEATH's articles an impression he did not intend to convey. It is to be hoped that those who have been following the series read this week's articles as well, for in them is the first intimation that the "World-Telegram" considers that industrial insurance has a place which under present conditions can be filled by no other.

### Heartening Conclusions from the Returns

As was pointed out in a recent edition there are certain features in the annual statements of life companies being presented that have an encouraging effect and give everyone a stouter heart and firmer determination. Perhaps the most satisfactory item is the increase in insurance in force. That indicates that the water has been pretty well wrung out, that lapses have reached their usual level although there may be an increase due to the present financial and economic situation but there is now no indication of danger in the legal reserve life insurance field. The investment

portfolios have stood up remarkably well during the year and have contributed a portion of encouragement.

While fire and casualty companies have showed a sharp shrinkage, the life companies assets have increased in a normal way. The mortality ratios to a large extent are somewhat less than they have been. There has been an increase in the average sized policy. Companies have been through the stress and storm period, have been facing great difficulties and have emerged with great credit to themselves and the legal reserve system.

### Perfection of Technique Means Work

IN A recent book, "The Arts," HENDRIK WILHELM VAN LOON makes a significant statement that all can take to heart. He said: "Genius is a fine thing and you should thank the dear Lord if he gave you 1 percent of 1 percent of it. But it would prove only a handicap without the necessary technique. There is only one way in which to acquire technique—work and work and then

still more work."

This can be applied to insurance men everywhere because regardless of great natural ability, practice does make perfect. A man may have theoretically a magnificent technique he has developed. In order, however, to maintain its high standard he must practice and practice means work. Only constant effort can mean success.

### Building Up Esprit de Corps

IN AGENCY conventions and gatherings, there is always an inspiration, especially to new men, in seeing the caliber of those representing the company and those at the head office. It increases the esprit de corps of an organization to come in contact with people who are making a success and who are enthusiastic in their work.

People attending meetings devoted to their line of work gather much aid from listening to talks and participating in

discussion. But we should not overlook the strengthening of morale and organization spirit by the coming together of men who are representative, influential in their communities and are making a success in their work.

In a recent issue the OHIO NATIONAL LIFE took a two-page advertisement in THE NATIONAL UNDERWRITER to present pictures of those who have qualified for the QUARTER MILLION DOLLAR CLUB. We sometimes question the value of publishing

group pictures in a trade paper because the faces are small and often undistinguishable. In this presentation, however, the OHIO NATIONAL LIFE was able to present an array of men that certainly made an impression on readers. The effect on the men themselves was excellent. The

effect on the other agents of the company should not be underestimated. It portrayed the character and quality of men that are in life insurance and are able to accomplish something worthwhile for themselves, their company and community.

## PERSONAL SIDE OF BUSINESS

Commissioner Owen B. Hunt of Pennsylvania, now in the final year of his administration, dropped a hint at the annual banquet of the Insurance Society of Philadelphia that he is planning to return to the insurance business at the expiration of his term.

"This is my last year in office," he remarked. "I expect to be with you again next year—perhaps as one of you, in the ranks."

E. P. Tice, of Tice & Jeffers, managers Midland Mutual Life, has been appointed chairman of the Columbus (O.) Community Fund and will have charge of the campaign next year. Fritz A. Lichtenberg, general agent Massachusetts Mutual, and John G. Belknap are also members of the Community Fund board.

W. Frank Ewing, 63, an examiner in the Indiana department since 1932, died after a long illness. For 15 years he was with the Prudential in Shelbyville, Ind., and later was manager in Richmond, Ind., of the Western & Southern. Burial was at Shelbyville.

John E. Reilly, president Old Line Life of America, was pleasantly surprised on his return from a vacation of several weeks in the south when he was presented the results of a special sales drive by the entire agency force, terminating in "welcome home day" on his return to the home office in Milwaukee.

F. G. McDiarmid, investment analyst Lincoln Life, spoke at a meeting of the Doric Club of Fort Wayne, Ind., on "Public Ownership of Power Plants."

Louis F. Paret, general agent of Provident Mutual Life in southern New Jersey and Philadelphia for many years, is leaving this week for a trip to Bermuda. He has not been in the best of health for the past year.

Joseph A. Clayton, promising new Bankers Life of Iowa agent in the Colorado agency, was instantly killed when the car he was driving struck an overpass near Denver. The tragedy occurred when Mr. Clayton, exhausted from fighting a wintry storm raging in the Rockies at the time, apparently fell asleep at the wheel, allowing the car to plunge down a steep grade and into the overpass.

E. L. Grant, manager Chicago branch office Continental Assurance in the Insurance Exchange, underwent an operation at Johns Hopkins Hospital in Baltimore last week for a brain tumor. He had been in Florida with Mrs. Grant to recuperate when a severe attack occurred which paralyzed his left side. Mr. Grant about a year ago suffered a first attack which for a time affected his speech and facial muscles, but after a short period in the hospital under observation he appeared to recover. W.

E. White, vice-president Continental Assurance, was in New York when he received news of Mr. Grant's disability and went to Baltimore to confer with the physicians. A plane had been chartered in Florida to carry the Grants to Baltimore but, due to rough air and fear Mr. Grant would not stand the trip, the journey was made by train.

On March 1, C. H. Winterble, veteran Bankers Life of Iowa salesman, rounded out ten more than the proverbially allotted three score and ten years. In good health and eager in the anticipation of many more years of active service, he celebrated his eightieth birthday with Mrs. Winterble at their home in Primghar, Ia., where for 33 years he has ably represented the Bankers Life. Mr. Winterble's many contributions to the progress of the company also include the services of a son, W. F. Winterble, Bankers Life director of agencies.

John J. Conyers, with the Equitable Life Society at Asheville, N. C., has been elected president of the board of governors of its Southern Century Club. He is the only member from the south. He has been a member since 1912.

F. W. Sprague, who was the founder and president of the old Standard Life of Des Moines, died in the University of Iowa Hospital, Iowa City, at the age of 76. The Standard Life in 1918 was merged with the Protective League Life of Decatur, Ill., under the title of Standard Life of Decatur. That company in turn was taken over by the International, which in turn was taken by the Missouri State Life.

Horace S. Wiggins, 85, who was actuary of the Nebraska department for a number of years prior to 1917, died at his home in Lincoln. Mr. Wiggins had also done actuarial work for a number of Nebraska companies.

H. R. Popham, 79, of Montreal died there. He had been retired from active business life for 20 years. He was provincial manager of the Federal Life, which was amalgamated with the Sun Life of Canada. He then joined the Home Life with which organization he remained until his retirement.

Col. C. B. Robbins, manager and general counsel American Life Convention, Chicago, was toastmaster recently at the annual meeting in Washington of the national council of the Reserve Officers Association of the United States. He formerly was assistant secretary of war and has continued active in military affairs.

W. M. Crunden, chairman of the board of the Central States Life, was married in St. Louis to his secretary, Miss Violet Ruth Moore.

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## NEWS OF THE COMPANIES

### Bankers National's Exhibit

#### Company Came Through the Year in Good Shape and Its Investment Portfolio Is Well Diversified

The Bankers National Life shows assets \$5,833,396, of which 10.75% are mortgages, there being \$64,151 in farm property and \$562,938 in city. Policy loans amount to 12.32 and bonds 59.26. Of the bonds, \$1,299,973 are in federal and other government securities. Its cash is 3.27. Its real estate is 2.01 and its home office building 2.06. Its policyholders' surplus is \$866,558. It has set aside \$200,000 for security fluctuation. Its premiums were \$1,692,893 and total income \$2,158,824. It paid in death and disability claims \$364,272 and other payments to policyholders \$401,732, and total disbursements \$1,709,184. Its assets increased 7 percent. It has \$117 in assets for every \$100 of liability. Its insurance in force is \$67,519,421. The mortality ratio was 45.5 percent. The insurance in force shows a slight decrease due to a substantial reduction in the dollar monthly plan, discontinuing that activity a short time ago. The ordinary insurance in force shows a very satisfactory increase.

### Mutual Benefit Life Assets Are at New High Record

In its exhibit to the New Jersey department the Mutual Benefit Life reported a gain in 1937 of more than \$27,000,000 of assets, bringing its total to \$845,881,531, the highest in its 93 years of operation. Contingency reserves stood at \$28,532,225.

The company gained \$25,433,895 of insurance in force, the total being \$2,032,208,082. New insurance was \$132,062,914. Premium income increased to \$69,698,738. A total of \$53,111,353 was paid to policyholders and beneficiaries.

The dividend appropriation for 1938, on the same scale as the 1937 declaration, is larger in amount than last year.

### American United Life Shows Substantial Increases

Through a typographical error the American United Life assets were shown to have decreased \$1,964,000 in 1937 and its insurance in force to have decreased \$4,400,000. These figures are both increases. The American United Life now has \$47,731,231 total assets and \$272,167,486 insurance in force. It now has a surplus to policyholders of \$2,676,693 and last year had a total premium income of \$5,892,705 and a total income of \$8,837,979.

### Washington National Year

The Washington National of Chicago made some excellent increases last year. Its assets are \$8,649,088 increase \$3,429,289. Its capital is \$1,250,000, net surplus \$1,123,533. It increased its premium income \$1,808,837. It increased its ordinary life insurance in force by \$27,343,908. Its premium income was \$8,420,000. It has over 1,000,000 policyholders of all kinds. Of its assets 13.31 represent cash, 26.52 federal securities, 10.51 FHA mortgage loans, 16.72 other government bonds, 4.6 railroad, 3.93 public utility, 5.58 policy loans, 4.48 real estate, 9.56 real estate mortgages.

### End Pathfinder Litigation

Some 800 policyholders in person or by proxy were represented at the annual meeting of the Pathfinder Life in Grand Island, Neb., and ratified a stipulation and agreement as to the settlement of all litigation as between the policyholders and the company. Reso-

lutions were adopted approving all actions of the directors for the past year, approving the actions of President Stanley D. Long and recommending that Mr. Long be retained in the presidency. Similar resolutions were adopted in regard to J. E. Hoyer, secretary, and F. A. Robertson, one of the directors.

In the settlement of this litigation, the judgment which was rendered last August against Messrs. Long, Hoyer and Robertson is now discharged in the district court of Hall county, Nebraska, and Pathfinder Life is free from the litigation that has faced it for the past two years.

Mr. Long reported that assets of Pathfinder Life exceed liabilities by 16.6 percent.

### American National's Year

The American National of Galveston in its annual statement shows cash \$10,583,416, \$23,317,204 bonds, there being \$3,513,359 federal, \$9,429,712 other government, \$1,165,212 railroad \$3,317,319 public utility, \$4,436,465 industrial, \$799,463 federal land bank. It has stocks \$1,104,216, mortgages \$15,735,710, policy loans \$5,998,788, home office building \$948,337, other real estate \$7,146,663. It carried a depreciation reserve \$2,309,749 for the real estate items. Its capital is \$2,000,000, investment contingency reserve \$2,500,000, net surplus \$8,712,802. Its premium income was \$16,273,881 gain \$1,344,856, total income \$19,485,025, gain \$883,867. Its assets increased \$5,777,192. It has insurance in force \$671,629,425, gain \$60,562,442.

### New Royal Highlanders Plan

LINCOLN, NEB.—Approval is asked of the insurance department for a distribution plan affecting the excess surplus reserves of the Royal Highlanders, which has already been approved by the directors and policyholders. It has set up \$810,724 as a divisible surplus to be distributed to holders of "ideal reserve" participating policies in force May 4, 1937, equalling 37.7419 percent of the terminal reserve on each policy for the year ending in 1937. Share so allocated shall be used for the purchase of a cash refund annuity, on which annual payments will be made during holder's lifetime, with beneficiary entitled to refund of difference between annuity payments and total refund to which he was entitled. Insurance Director Smrha said the department would make a speedy ruling.

### Gulf Life Shows Progress

President T. T. Phillips of the Gulf Life of Jacksonville, Fla., in his report to stockholders states that the company made greater progress last year than any previous one. It has \$82,000,000 of insurance in force. Its assets and amount of insurance have more than doubled during the last five years. It has about 650 agents in Georgia, Florida and Alabama. It has made more than 1,000 home loans in Jacksonville and Duval county during the last three years.

### Western American New Officers

The Western American Life of Albuquerque, N. M., has elected some new officers. Among the new vice-presidents are William Beacham of Santa Fe, C. P. Hilton, Albuquerque; Dr. W. E. Park, Ft. Bayard, N. M.; Dr. C. P. Austin, Douglas; Dr. E. L. Mickelson, Silver City. C. A. Callender, who has been assistant secretary, is made secretary. Josephine Beers becomes actuary. Prager Miller is president.

### Federal Life's Statement

The assets of the Federal Life of Chicago are \$16,421,076, increase \$670,993. The surplus gained \$5,000 and in addition there is a special contingency reserve of \$50,000 established. The com-

*As long as she lives...*

## SEVEN VITAL NEEDS, one after another, will confront your wife

When tragedy overtakes a woman and her children, it is almost never because her husband was dissatisfied. Rather, he just couldn't foresee the various needs—some of them costly!—that his family would have to face in the future. That his family would have to face.

Union Central Life has had 71 years to study these needs... has over three hundred years of experience in life insurance... has the wisdom, experience and knowledge needed to do it. We have developed a unique new service—the Family-needs Forecast.

This Forecast makes it possible for fathers to see clearly into the future—before their own vital needs that are likely to confront their families. Then it shows them exactly how to meet these needs.

How you can get insurance protection when you need it most... If you had the Forecast you could plan now to distribute the proceeds of your present insurance so that every dollar will go to where it counts most for your family. You could clearly see whether there are any dangerous gaps in your program, and understand how they might be filled more economically.

There is not the slightest cost or obligation involved in receiving one of the Family-needs Forecasts. There is none. You can get a Union Central Life representative, capable and understanding, who will be glad to show you how to use it.

*I would like to see the Family-needs Forecast*

**The UNION CENTRAL LIFE Insurance Company**  
 122000,000. INSTITUTION... FOUNDED IN 1867

Another dramatic full page on the Family-needs Forecast... appearing in March 5, Saturday Evening Post and March 14, Time.

## The FAMILY-NEEDS FORECAST makes the underwriter's diagnosis truly professional

WHAT the X-ray is to medicine, the new Family-needs Forecast is to life underwriting.

With this unique tool, Union Central men are able to show a prospect *precisely* what his family's vital needs are going to be... are able to evaluate, almost to the dollar, how far his present insurance will go in caring for those inescapable needs.

With such an accurate diagnosis to go on, the underwriter can prescribe *with authority* for the future. The proof that these prescriptions carry weight with prospects is shown in the steadily mounting sales of Union Central representatives.

**The UNION CENTRAL LIFE Insurance Company**  
 CINCINNATI, OHIO

pany sets aside \$100,000 as reserve for real estate and mortgage depreciation. The surplus is now \$368,094. Its cash and federal government securities are \$1,430,415 and other government bonds \$2,658,485. There is only one bond in default, it being for \$1,500.

#### Northern Life of Seattle

The Northern Life of Seattle in its new statement shows assets \$17,222,571. Policy reserve is \$13,599,349, reserve for policyholders dividends with accumulated interest \$976,169, reserve for contingencies \$401,039 and capital \$300,000. Life insurance in force amounts to \$100,464,605.

#### President Loomis' Report

At the annual meeting of the Connecticut Mutual, President Loomis reported total income \$58,618,880 as compared with \$55,626,964 a year ago. The assets increase \$20,804,299, reaching \$312,233,793. The surplus is \$11,100,968 compared with \$10,858,887. The insurance in force increased \$39,178,859 to \$979,141,068. The company now has over 210,000 policyholders.

#### Gordon Is Vice-President

E. Lynn Gordon, who has been controller and assistant secretary of the Atlantic Life, has been elected vice-president and controller.

#### New Volunteer State Treasurer

R. F. Evans, who has been with the Tennessee department for seven years, has been appointed treasurer of the Volunteer State Life, filling a vacancy that occurred last fall.

He graduated from the University of the South (Sewanee) in 1926. For five years he was in the mortgage loan and investment field and since then in the state post.

The National Union Benefit Association, Phoenix, Ariz., has changed its name to the National Union Insurance Company.

California has approved the name of Citizens National Life of San Francisco and has authorized the Progressive Life of Los Angeles to issue contribution certificates to named individuals. They are both stipulated premium companies.

## LIFE AGENCY CHANGES

### New Dallas District Manager

**Reliance Life Has Appointed E. Gordon Perry, Well Known Business Man There, to the Position**

Appointment of E. Gordon Perry, one of the best known business men in Dallas, as district manager there for the



E. GORDON PERRY

Reliance Life of Pittsburgh, has been announced by J. M. England, manager of the northeast Texas department.

Mr. Perry has been active in real estate and insurance circles in Dallas for many years and also was well known for his activity as a dealer in automobiles. He was in the automobile business for 16 years while continuing his other activities. He developed Perry Heights, one of the finer residential areas of Dallas. Mr. Perry is president of the

Dallas YMCA, serving his third term. He also is active in Methodist Church circles of Dallas, being superintendent of the Sunday School of First Methodist Episcopal Church, South. He also was a trustee of Southern Methodist University during his early years and was on its management committee. Associated with him will be his son, E. Gordon Perry, Jr.

The northeast Texas department, covering 80 counties, showed an increase of 85 percent in production for 1937 compared with 1936, which gave the office its largest yearly production since 1926.

### Alabama Changes Made by Equitable Society

Several changes have been made in the Alabama agency of the Equitable Society since Capt. E. E. Dent, newly appointed manager, took charge. Ben Walker has been promoted to manager of the Birmingham district, James Holbrook being moved up to field agent and Alfred Cumbee to field assistant. Arthur Abromson is the new district manager, for south Alabama, with headquarters in Mobile. Promotions in north Alabama include E. B. Casper as new district manager, with H. G. Whiteside as assistant and Rodger Quincy as field assistant at large.

William Lawrence has been made supervisor of group insurance in south Alabama, with offices in Montgomery, and Charles Wampold field assistant. Hinson Sibley has been made supervisor of group insurance in north Alabama.

### Perry and Hanley Change

Bert A. Perry, formerly manager for the Pan-American Life in the Republic of Salvador and for the past 5½ years in Corpus Christi, has been appointed manager of the southwest Texas department of the Reliance Life, succeeding L. A. Hanley, who has joined the Great American Life of San Antonio as home

office representative. Mr. Hanley, who is president of the San Antonio Lions Club, has been active in life insurance circle there the past 14 years. His uncle is president of the Illinois Central railroad.

### Connecticut General in Iowa

**Charles M. Maxwell Has Been Appointed Manager of the Newly Established Branch Office in Des Moines**

Charles M. Maxwell has been appointed manager of the Connecticut General Life's newly established branch



CHARLES M. MAXWELL

office in Des Moines, which marks the company's entrance into Iowa. Mr. Maxwell, born and educated in Iowa, has been in business in that state since leaving school.

After several years of sales work he operated a general insurance agency for three years. Becoming interested in life insurance, he entered that field in 1928, first engaging in personal production and later in organization work as field assistant and district manager in Ottumwa and Des Moines.

Mr. Maxwell is a past president of the Life Underwriters Association of Ottumwa.

### Provident L. & A. Appointments

Charles M. Earley has been appointed head of the life agency of the Provident Life & Accident at Norfolk, Va. He has had 15 years' experience in insurance. Mr. Earley worked out of Raleigh for some time and then shifted

### Agency Organizer



S. J. WATTS, JR.

Sidney J. Watts, Jr., has been appointed agency organizer for the Steacy E. Webster agency of the Provident Mutual Life in Pittsburgh. He joined the agency in May, 1935, and has made an excellent record. He attended Duke University, Durham, N. C., and is president of the Steacy E. Webster Agency Association. In his new post he will assist the executive staff in contacting prospective agents.

## 35th ANNUAL STATEMENT

December 31, 1937

ASSETS		LIABILITIES	
Cash .....	\$ 612,711.68	Policy Reserves: Required by law and verified by the Insurance Department of Tennessee .....	\$21,613,309.00
Bonds:		Policy Claims in Process of Settlement: Covers unreported claims and claims for which completed proofs have not yet been submitted .....	104,396.54
U. S. Gov. and Guaranteed Obligations .....	\$ 334,239.45	Premiums and Interest Paid in Advance: Discounted premiums and prepaid interest on policy loans ..	224,567.79
State and Municipal .....	1,281,981.88	Reserve for Taxes .....	107,028.10
Railroads .....	1,704,857.05	Other Reserves .....	41,812.59
Public Utilities .....	1,449,397.00	Miscellaneous Liabilities .....	27,781.82
Federal Land Bank and Miscellaneous .....	338,991.66	Dividends Apportioned to Policyowners .....	63,931.64
Stocks .....	63,942.50	Additional Funds for Protection of Policyowners:	
Mortgages on Real Estate:		Contingency Reserve .....	\$338,385.11
On Farms .....	1,500,462.76	Surplus .....	500,000.00
On Other Real Estate .....	5,358,518.66	Capital .....	500,000.00
Policy Loans .....	6,013,492.68		1,338,385.11
Premium Notes .....	1,332,194.46		
Real Estate, Including Home Office and Addition .....	3,020,898.54		
Net Deferred and Unreported Premiums .....	367,369.10		
Interest and Rents Due and Accrued .....	142,155.17		
<b>TOTAL ADMITTED ASSETS .....</b>	<b>\$23,521,212.59</b>	<b>TOTAL LIABILITIES .....</b>	<b>\$23,521,212.59</b>

## The Volunteer State Life Insurance Company

Chattanooga, Tennessee

Richard H. Kimball, President



to Norfolk. Harvey C. Maness has been appointed general agent at Raleigh, N. C. He has been prominent in life insurance work. A. B. Woodruff becomes general agent at Johnson City, Tenn.

### Clark Takes Boston Post

George R. Clark, formerly assistant superintendent of agencies at the home office of the Security Mutual Life of Binghamton, has been made general agent in Boston, succeeding Joseph Wortman, resigned. He will assume his new duties about April 1. Mr. Clark had his first experience as an office man with the Travelers in 1913. After service overseas, he was personnel manager for a Chicago manufacturing concern. He then joined the Security Mutual as an agent in Philadelphia and his record there won him a place in the home office.

### Tacoma, Seattle Offices Merge

The Mutual Trust Life has made a change in the western Washington territory. The Tacoma and Seattle agencies will merge. Fred Mackle, Jr., general agent at Tacoma for two years, has been appointed in charge of the merged agencies, with headquarters in the Insurance building, Seattle. In 1937, Mr. Mackle ranked second in personal production, paced by G. A. Hatzes of New Hampshire, who has led the field force for five years.

### Occidental in Minnesota

F. G. Barbeau and C. A. Mathews have been appointed general agents of the Occidental Life of California in St. Paul as the Barbeau-Mathews Agency. Both are experienced life insurance men.

E. D. Washburn has been appointed general agent at Crookston, Minn. He represented the Equitable Society in Crookston from 1924 to 1927. He then became district agent of the Minnesota Mutual Life, being appointed general agent in 1932.

### New Agency in Grand Junction

A new joint agency for the Colorado Life has been opened in Grand Junction, Col. Mark Doyle, formerly with the Missouri State Life, and Kenneth Smith, veteran Colorado Life agent, are in charge.

## Volunteer State Manager Is Named at Dallas



WALTER H. PECK

Walter H. Peck has been made manager of the Volunteer State Life of Chattanooga at Dallas. His return to the company is being celebrated as a sort of homecoming, as he has spent nearly his entire career with it. He is 32 years of age, a graduate of Centenary College and has lived in Dallas since early childhood. He has made an outstanding production record. His office has been established at 511 Santa Fe building.

Mr. Peck has been in the life insurance work for six years, having started with the Volunteer State Life in 1931. He then became associated with Floyd West & Co., Dallas general agency as manager of its life department, but retired from that position to return to the Volunteer State. He will supervise the north Texas area including Fort Worth.

Matthew Brown, San Antonio, Tex., General American Life general agent, has been appointed chairman for the first goodwill luncheon meeting of the public relations committee of the San Antonio Chamber of Commerce.

## NEWS OF LIFE ASSOCIATIONS

### Plan First Ohio State Meeting

Superintendent Bowen, C. J. Zimmerman and Robert A. Taft on Preliminary Program

CLEVELAND—Committees on the first annual convention of the Ohio Association of Life Underwriters have arranged a tentative program for the gathering here April 8-9. An attendance of 750 is expected.

The convention will start at 10 a. m. The morning program will include a welcome by Mayor Burton of Cleveland; remarks by Superintendent Bowen; greetings by Fred Zweifel, president of the Ohio association; greetings by Lloyd A. Hagerty, president of the

Cleveland association, and a talk by Robert A. Taft, Cincinnati attorney and son of former President Taft.

Agency luncheons will be held at noon.

The Friday afternoon program will include the showing of the Borden & Busse sales film; talks by Charles J. Zimmerman, Chicago, general agent Connecticut Mutual and National association secretary, and A. L. McCarthy, vice-president and general manager, Eureka Vacuum Cleaner Co., Detroit.

The banquet will be held on the first evening. Walberg Brown of radio station WGAR will be in charge of music, entertainment and dancing. Nate Schmidt of the Woolson Spice Co., Toledo, will speak.

On Saturday morning there will be



## "I CAN'T QUIT"

Men are saying this every day.

They are those who can't afford to be taken off the work-a-day payroll.

But there are others—foresighted men who are building funds for later use through Prudential endowments, acquired during the years of vigorous manhood.

Your prospects will be interested in this information.



**The Prudential Insurance Company of America**

EDWARD D. DUFFIELD, President

Home Office, NEWARK, N. J.

## INDUSTRIAL FIELD NEWS

### O'Brien Bill Passes Senate

New York Measure Prohibits the Writing of Industrial Policies on the Endowment Basis—Likely to Prevail

The New York senate has passed the O'Brien bill prohibiting the writing of industrial policies on an endowment basis. The vote was 41 to 5. Because of the furor that has been stirred up about industrial insurance by the New York "World Telegram" and the sponsors of savings bank life insurance the odds are considerable that the O'Brien bill will also be passed by the assembly and receive Governor Lehman's signature, as it has been largely through the governor's influence that the savings bank bill has made the progress it has. Another move against the present practice of industrial insurance was the introduction of a bill by Assemblyman Piper barring companies from penalizing their agents for lapsed or surrendered policies.

### Push Tennessee Health Bill

NASHVILLE, TENN. — Three groups of Nashville agents heard messages regarding the passage of the proposed Tennessee pre-nuptial bill which will require all persons to produce a health certificate before marriage. P. M. Estes, general counsel Life & Casualty and chairman of the committee

for the passage of the bill, addressed a combined meeting of agents of the Metropolitan Life and National Life & Accident. Sydney Keeble spoke before the agents of the Home Beneficial, while William Leverette addressed the agents of the Life & Casualty.

The bill is designed to reduce Tennessee's tuberculosis death rate, the highest in the country.

### Veteran Weds at 79

At the annual dinner of the veterans' association of the Metropolitan Life in New Orleans, the president, G. G. McHardy, 79, a veteran of 54 years with the company, announced that he had secretly married in Windsor, Ont., a few weeks ago while attending the national convention of the company in Detroit.

### Recognize Production Records

The National Life & Accident is giving special recognition to Superintendent A. H. Stanley of Atlanta, and Superintendent E. W. Ney, Corpus Christi, Tex., for their long, unbroken records as winners of the company's quarterly bonus. Mr. Stanley's record is for 17 consecutive quarters; Ney's unbroken string amounts to ten.

### Colonial Life Promotion

The Colonial Life of Jersey City has promoted George S. Covert to assistant manager at New Brunswick, N. J.

open forum breakfast meetings for general agents, supervisors, cashiers and office managers, women underwriters and C. L. U.'s. Several nationally known speakers will be heard at the regular Saturday convention program.

The convention will be open only to members of local associations and their wives. A registration fee of \$5 will be charged the members and \$2.50 for the wives. This includes the banquet.

A style show, luncheon and entertainment program has been provided for the women on Friday afternoon with a session of bridge for those who desire. A Cleveland sight-seeing trip has been planned for Saturday morning.

C. Vivian Anderson of Cincinnati is general chairman and Warren H. Smith is chairman of the local Cleveland committee.

### Sales Manager Talks to Indianapolis Life Men

"Life insurance became a pioneer in providing social security when the first modern policy was written in England 250 years ago, and today life insurance provides a considerable degree of social security in nearly every home in the land," said Paul Q. Ferrel, vice-president and general sales manager of the Real Silk Hosiery Mills, Indianapolis, in an address at a luncheon meeting of the Indianapolis Association of Life Underwriters. Mr. Ferrel's subject was "Applied Salesmanship."

"Under-consumption rather than over-production is the condition in our country today," said Mr. Ferrel. "This situation offers a challenge to better methods of distribution. Salesmen who are alive to the needs and desires of the buying public are selling goods and services today. This applies also to the services offered by competent life underwriters, who are selling millions of dollars of life insurance month after month because they offer the public what the pub-

lic wants and needs. Salesmanship in life insurance as well as in other commodities succeeds when it is based upon correct principles of selling and on a service which the buyer needs. Better selling methods in all lines of business will increase consumption and in turn create greater production and more jobs," said Mr. Ferrel.

### Harris Lauds Old-Timers; Gives Answers to Critics

HOUSTON, TEX.—Speaking before more than 300 members of the Houston Life Underwriters Association, George H. Harris, public relations officer of the Sun Life of Canada, summarized his appeal by saying: "We are the ones to carry the message. Last year 600,000 adult males died and 100,000 of them left nothing for their dependents; 1,000 homes in America are broken up daily because of the death of the breadwinner. This is our field—that is our job."

Mr. Harris said he had visited every state in the United States and been in a home in every state, so he felt he could with pride say he was truly an American, although a resident of Canada.

He praised the old-timers in the life insurance business who did the magnificent job of laying the groundwork of the first 40 billion and who shared in the adding of the next 70 billion of insurance. He gave many illuminating examples of how to refute present day criticisms of the institution of legal reserve life insurance.

"Business conditions and economic movements do not alter life insurance needs," Mr. Harris said. "When business goes down, the real demand for life insurance goes up. We must, therefore, meet this demand with service, remembering that the three billions of life insurance dollars paid out during the depression years were put into American pockets when \$1 was worth \$2."

Mr. Harris also spoke at Dallas and San Antonio on "Life Insurance, the Servant of Society."

He said the principle of life insurance is based on continuity and permanence. The benefits of the vast number of dollars paid out in one generation can never be understood, but he suggested that as a measure it should be realized that it is equal to \$110 paid out every minute since the time of Christ, and even more will be paid out in benefits within the span of the next generation. He characterized the funds invested in life insurance as a collective fund for the social benefit of the beneficiaries. He emphasized that the father must pay in money for funds for his family when he is gone, or recognize the fact that the members of the family must pay in privations and suffering.

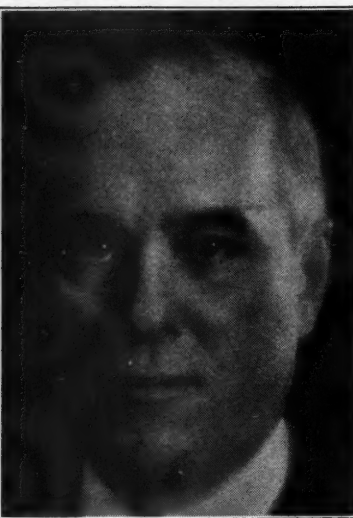
### List Detroit Congress Topics

DETROIT—Topics of the speakers who will address the sales congress of the Qualified Life Underwriters of Detroit are announced as follows: Wallis Boileau, Jr., vice-president Penn Mutual, "\$2 up or \$6 Down"; Mark Schwinn, Northwestern Mutual Life, Beaver Dam, Wis., "How to Make Contacts and Influence Contracts"; C. J. Zimmerman, general agent, Connecticut Mutual, Chicago, "Getting Action"; O. Sam Cummings, National association president, "Our Opportunities and Our Obligations"; A. V. Youngman, Mutual Benefit, New York City, "Financing the Prospect's Lead"; J. C. Behan, vice-president Massachusetts Mutual, "Building Good Public Relations." Commissioner Gauss is also on the program.

In the evening President Cummings will lead a meeting of the general agents and managers group in a discussion, "Selection of Agents."

New York City—The annual banquet will be held March 10 at the Hotel Pennsylvania. The sole speaker will be B. S. Collins, assistant vice-president Old Colony Trust of Boston. He will talk on "The A B C of personal Life Insurance Trusts." There will be dancing during

### Four "Millionaires" to Be on Davenport Program



HARRY T. WRIGHT

Harry T. Wright, associate agency manager for the Equitable Society in Chicago, will head a quartet of "millionaires" to appear on the sales congress program to be held at Davenport, April 23. A unique hour entitled "Echoes from the Million-Dollar Round Table" will be dramatized. Mr. Wright is past chairman of the Million Dollar Round Table and has spoken on the national program several times, as well as at many underwriters' associations. The other members of the quartet will be announced soon.

The seating capacity of the Gothic room of the Masonic Temple is 700. The arrangement of cash attendance prizes for those who are on time will be used again this year.

Free tickets will be provided and all expenses paid for the agent who pays for the largest number of life insurance lives between Jan. 1 and March 31, and for the agent who pays for the largest volume. No general agents or agency managers can compete. It is for agents residing in Iowa, or in Illinois, outside of Chicago. They will be introduced to the sales congress.

and after the banquet. Associate General Agent A. V. Youngman of the Mutual Benefit Life, association president, will be toastmaster. In the past the association has held its annual sales congress the same day as the banquet. Beginning last year however the sales congress was made an autumn event as it was felt that nothing was gained by crowding the two events into a single day.

St. Louis—Geo. H. Harris, public relations officer of the Sun Life of Canada, will speak on "Insurance—the Servant of Society" at a joint meeting of the St. Louis chamber of commerce and the local association.

Dallas Alderman, president of the Missouri and Kansas associations, has been invited to come to St. Louis to discuss plans for the formation of a young agents division of the association. Three of the most successful agents under 30 years of age will explain the plans for the new unit.

Northern New Jersey—Vincent B. Coffin, vice-president and superintendent of agencies of the Connecticut Mutual Life, and R. G. Engelsman, New York City general agent Penn Mutual Life, will speak in Newark March 14 on "Specialized Programming."

Boston—Speakers for the sales congress, March 17, are:

H. P. Cooley, general agent New England Mutual Life, Portland, Me., "Down East Yarns"; M. T. Jones, assistant supervisor field service division Travelers, "Life Insurance in Action"; F. U. Levy, million dollar producer Penn Mutual Life, New York City, "Practical Selling"; W. J. Dunsmore, manager Equitable Society,

New York City, "What Price Success Today"; H. R. Ketter, leading producer Metropolitan Life in 1937, "Prospecting A. R. Jaqua, associate editor "Diamond Life Bulletins," "The Empty Desk."

In addition Warren Magruder, general agent Connecticut Mutual, Baltimore will address the luncheon meeting of general agents and guests on "A Friend Chat on This and That."

Butler, Pa.—Careful analysis of an intended sale in the light of knowledge gained through a lost prospect, or "the sale that should have been made," was advised by F. C. Wigginton, Pittsburgh manager Bankers Life of Iowa.

He compared the points in selling the members of a football team. The first five points, he said, define who the prospect is. They are concerned with the prospect who can pass; the prospect who can pay; the prospect who has need; the prospect who has character; and the prospect of the type you can deal with favorably. The remaining points are the approach; establishing the problem; the solution; objection motivation, and the close.

Detroit—Thirty-eight high schools in Detroit and 28 in neighboring communities have been divided into five zones for direct supervision by life men under the direction of John Crampton, Connecticut Mutual, who is chairman of the national high school essay contest. The local association has offered \$50 in cash prizes for the three leading essays. In addition the individual winner in each competing high school will be given a blue ribbon and invited to the April 12 luncheon of the association.

Richmond, Va.—Chief speaker at the monthly meeting was C. A. Taylor, actuary of the Life of Virginia, on "Industrial Insurance Compared with Ordinary Insurance." Preceding Mr. Taylor, R. B. Walker, president of the company, spoke briefly of the problems confronting the industrial salesman.

Lincoln, Neb.—More than 150 attended the February luncheon meeting, at which C. J. Zimmerman, Chicago general agent Connecticut Mutual and secretary of the National association, spoke on the



### Can You Offer Him a Low Cost Policy?

General Mutual's preferred risk policy belongs in your portfolio. Why? Because it enables you to meet competition—when you're talking to the thrifty buyer of life insurance. . .

write-**THE GENERAL MUTUAL**

LIFE INSURANCE CO.  
VAN WERT, OHIO  
C. M. PURMORT, President



FOR AGES TO COME

**Outstanding**  
BY ANY  
**STANDARD**  
OF  
**COMPARISON**

FOUNDED 1867

● The Equitable Life of Iowa issues both participating and non-participating life policies; annuity contracts; and "man-sized" life policies for juveniles from date of birth to age 10.

**EQUITABLE**  
LIFE INSURANCE COMPANY  
**OF IOWA**  
HOME OFFICE DES MOINES



relation between life insurance and social security. Agents were present from Omaha and other cities in the state, and agents attending meetings of the Security Mutual of Nebraska, Bankers of Iowa and John Hancock came in a body. He said the social security program of the government, when supplemented by judiciously placed life insurance will give the people of America a fuller measure of security than they have ever known. Social security is but minimum security, he said, and he predicted that experience would prove that it will dovetail so well with life insurance in the economic scheme that in time they will be acclaimed as two of the greatest existing forces for social betterment.

**South Bend, Ind.**—E. M. Spence of Indianapolis, Indiana sales director of New England Mutual Life, spoke on "Prestige Building and Sales Methods."

**Youngstown**—C. B. Metheny, Pittsburgh, manager Fidelity Mutual Life, told the association he had placed an ad in the papers stating he "was a widow with \$14,000 to invest safely" and had received 55 replies, all but five of which were "phony." Discussing "Increasing Your Sales Through Option Settlements," he said insurance money should be trusted with a company rather than paid outright, as this practice would save beneficiaries a "great deal of grief." He showed the necessity of option settlements, explaining how a program can be worked out for an estate so that the widow would receive her money as a steady income rather than all at once.

**Marshalltown, Iowa**—R. L. Compson, educational director of the Des Moines agency of the Mutual Life of New York, spoke on "The Personal Balance Sheet," concerned mainly with the personal attributes which make for success in the selling field.

**Southeastern Iowa**—At a meeting at Burlington, Iowa, last week, O. R. Carter, inspector of agencies, New York Life, for Illinois, Iowa, Nebraska and South Dakota spoke on "The Work of the Life Insurance Man."

**San Francisco**—The women's committee with Mrs. Jeanette Van Slyke, Pacific Mutual, as chairman, is planning a series of meetings at which the various functions of life insurance are to be discussed. Mrs. Bruce M. Ashton, Connecticut General Life, is in charge of the meetings. It is expected more than 400 women will attend the sessions. Discussions will cover: "Life Insurance as Protection," "Optional Settlements and Trusts," "Life Insurance as an Investment" and "Annuities."

**Chattanooga, Tenn.**—John A. Witherpoon, John Hancock Mutual Life, Nashville, trustee of the National association, spoke on "Modern Life Insurance Situations." He stressed the important part that women have in the financial picture of America today. "Women are beneficiaries of 80 percent of the nation's \$110,000,000,000 life insurance in force," he said. Of the \$14,500,000,000 in savings accounts in United States banks, 65 percent is owned by women; 25 percent of the jobs in America are held by women."

**Pittsburgh**—Forsake logic and sell life insurance the way people buy—through emotional appeal, J. M. Gantz, Cincinnati general agent Pacific Mutual Life, urged in his address. Close to 400 attended the meeting. "Forget life insurance and talk about life," he advised. He advocated sale of insurance on the basis of providing protection for the prospect's loved ones.

**Harrisburg, Pa.**—E. E. Cooper, home office agency assistant of Equitable Life of Iowa, spoke on "Ten Tremendous Trifles," and answered the following questions: (1) Have you any right to be in the life insurance business today? (2) Are you prospecting intelligently? (3) Are you doing a full day's work? (4) Are you selling for desires? (5) Do you sell the people you know? (6) Do the people you sell know you? (7) Are you an enthusiastic salesman? (8) Do you close with motivating stories? (9) Are you a bargain hunter? (10) Where do you live?

### Field Instructors Meet

The Metropolitan Life held a field instructors' conference in Chicago this week.

## SALES MEETS

### Mutual Life Springfield Rally

The annual meeting of the Springfield, Ill., agency of the Mutual Life of New York, which covers 46 central Illinois counties, was held there this week with Manager John L. Taylor in charge.

Among those taking part in the program were Manager Taylor, J. L. Dague, agency organizer; H. O. Plummer, service representative; R. A. Guest, and J. W. Patton, Springfield; J. J. Norton, Bloomington district manager, and E. A. Gurtner of Bloomington, who has just completed 510 weeks of consecutive weekly production. Will Taylor, secretary Franklin Life, was the dinner speaker.

### Nye Agency's Victory Dinner

A successful January production campaign in the H. Allen Nye agency of the Equitable Society at Denver was climaxed with an educational conference followed by a dinner dance at which Mr. and Mrs. Nye were hosts. The production campaign commemorated Mr. Nye's eighth year as agency manager at Denver. Over \$600,000 was written during the month. The agency and every unit except one made an increase over their former January results by from 15 percent to 150 percent.

Telegrams of congratulation were received from Vice-president W. J. Graham, Second Vice-president V. S. Welch of Chicago and W. J. Roddey, national commander of the society's veteran legion.

F. H. Merten was appointed to succeed A. B. Cowen as agency post commander of the veteran legion.

### Lichtenberg in Indianapolis

F. A. Lichtenberg, Columbus, O., general agent Massachusetts Mutual, spoke at a meeting of the Indianapolis agency on "How Is Your M.A.?" setting out the importance of the mental attitude toward the individual in his home, business and with his associates.

### Western Life Regional Rallies

Regional meetings of the Western Life (formerly Montana Life) will be held in Helena, Mont., April 7-8 and in Portland, April 11-12.

### Sun Life's Denver Meeting

At the annual convention of the Denver branch Sun Life of Canada, R. H. Finger, superintendent of agencies,

spoke on "Enthusiasm in Selling." L. L. Gulich of the Denver office was chairman. The program included discussions of "The Complete Sale" and "Insurance Needs" and a round table conference. A Sun Life travelogue in color movies was presented at the evening session.

### Larson Agency Sales Congress

A. C. and R. E. Larson, southern Wisconsin managers of the Central Life of Iowa, with headquarters in Madison, were hosts to their sales force and company officials at a two-day sales congress. Home office officials who were guests included E. H. Mulock, presi-

dent; George E. Carlin, educational director, and Peter Hondorp, assistant actuary. A series of round table discussions on the principles of life underwriting was held and plans for the coming year were outlined and discussed. In addition to company and agency officials, leading producers appeared on the program.

### American United Conference

INDIANAPOLIS—About 50 agents of American United Life will attend a one-day conference with home office executives Friday of this week. Vice-president Harry Wade will preside.



## With a Shoulder to the Wheel...

The spirit of the founders of Occidental carries on into the everyday work of every representative of the Company. Every agent has an appreciable pride in the strength of his Company, a real satisfaction that comes from being able to offer "Perfect Protection" as an exclusive feature, and real help from his home office.

IF A "PERFECT PROTECTION" CONTRACT SOUNDS INTERESTING — WRITE US!



LAURENCE F. LEE  
PRESIDENT

OCCIDENTAL  
LIFE INSURANCE COMPANY  
RALEIGH, . . . . . NORTH CAROLINA

# THE MANUFACTURERS LIFE

## STRENGTH and STABILITY

After more than fifty years of progressive growth the Manufacturers Life looks to a future of broadening service.

The Company enjoys an international reputation for strength and stability. Old in experience, yet closely attuned to the future, the Manufacturers Life has all the characteristics that point to sound and continued expansion.

INSURANCE AND DEFERRED ANNUITIES IN FORCE  
556 MILLION DOLLARS  
ASSETS EXCEED 154 MILLION DOLLARS

INSURANCE COMPANY  
HEAD OFFICE  
TORONTO, CANADA  
Established 1887

## VIEWED FROM NEW YORK

By R. B. MITCHELL

### Breaks No-Pinch-Hit Record

**C. Preston Dawson, General Agent  
New England Mutual Succumbs to  
Home Association's Plea**

C. Preston Dawson, partner in the Beers & Dawson general agency of the New England Mutual Life in New York City and one of the best known life insurance educators in the country, this week spoiled his hitherto perfect record for standing off program chairmen who have tried to lasso him into pinch-hitting for an absent scheduled speaker. This week he spoke in the New York City Life Underwriters associations lecture course, substituting for H. G. Kenagy, superintendent of agencies of the Mutual Benefit Life, who was out of the city.

Though he offers no alibis, there are several reasons which may well have influenced Mr. Dawson to make an exception just this once: it was his own association that was asking him to step into the breach; his colleague on the platform was to be O. P. Jacobsen, a man from his own agency; and then the man for whom he was pinch-hitting is an official of the company which brought Mr. Dawson into the life insurance business.

Mr. Dawson, in the comparatively short time since he joined the former L. A. Cerf agency of the Mutual Benefit Life in New York City in 1924 when he was just out of Bucknell University, has made himself one of the most sought-after speakers on life insurance, his particular forte being prospecting, the subject on which he addressed the New York Association's meeting this week.

The term "directive" which he used in his talk on prospecting applies to Mr. Dawson's entire life insurance career—and undoubtedly to his career a good while before he entered life insurance. Without grimness or teeth-gritting he directs his efforts so that there is no lost motion or waste energy. He never appears to be steamed up about things, but he has gone a long way and is young enough so that he can be depended on to go much further.

When L. A. Cerf, Sr., retired as general agent in 1928, Mr. Dawson became midtown branch manager for the Beers & DeLong agency which succeeded Mr. Cerf. In 1931 Mr. Beers retired from the partnership and Mr. Dawson became production manager of the DeLong agency, resigning a year later to join Mr. Beers in opening a new general agency of the New England Mutual Life. During 1931 the DeLong agency, with three officers and 85 agents, rolled up a production of \$28,500,000.

The new agency paid for \$3,300,000 its first year and gradually increased its production to \$5,500,000 of insurance and \$1,600,000 annuities in 1936. Last year showed an increase of 13 percent in lives and 6 percent in volume over 1936.

### Prepare the Final Draft

From Albany comes word that members of the joint legislative committee on the insurance code revision are working at top speed to make such corrections, additions and deletions to the tentative draft that has been before it since last September, and which has been the subject of a series of public hearings in New York City, Syracuse and Albany, as seem wise in the light of the information gleaned at these hearings. The code, as finally approved by the committee, will be printed and submitted to the legislature. It is reported 2,000 copies of the edition in its new form will be printed, and as was true of the tentative draft, circulated among all those persons legitimately interested. As the legislature plans adjournment

about the middle of March, action on the code at this session is deemed highly improbable, but the submission of the bill will insure its consideration when the 1939 session convenes.

While the committee is understood to have made a number of changes in the original code draft, the undesirability of certain provisions having been made clear at conferences between the members, department officials and underwriters, the exact nature and extent of the alterations finally endorsed will not be known until the revised edition has been printed and circulated.

### Aetna Life Splits Agency

The Aetna Life general agency partnership between K. A. Luther and R. H. Keffer at 100 William street, New York, will be dissolved at the end of the month, they having been together for five years. Both will continue as general agents. Mr. Keffer will continue at 100 William street and Mr. Luther will go to Forty-second street. The company desired to have two general agency offices in Manhattan. Mr. Keffer will have E. A. Muller and E. H. Hastings as assistant general agents and Mr. Luther will have L. W. Sechtman as assistant general agent.

### Endorse Life Men's Position

The Brooklyn Insurance Brokers Association, Bronx Insurance Men's Association, Independent Brokers Association of Brooklyn and the General Brokers Association of the metropolitan district in New York City have all en-

dorsed the position of the New York State Life Underwriters Association concerning the bills before the New York legislature to create a system of savings banks life insurance. The state association opposed a subsidized system and approved the recommendations of Superintendent Pink.

The committee on finance and currency of the New York State Chamber of Commerce gave its disapproval to the Livingston-Piper bill before the legislature providing for the establishment of life insurance departments in savings banks. The committee states that there is nothing in Massachusetts where savings bank insurance is in effect that indicates that it fills a public need or enjoys great popularity.

### J. S. Myrick Figures

The paid business of the J. S. Myrick agency of the Mutual Life in New York City for February was \$1,856,233 as compared with \$1,963,930 for February 1937. For the year to date paid business was \$3,716,071 as compared with \$4,943,889.

### Knight Agency's Record

The C. B. Knight Agency of the Union Central Life in New York City paid for \$1,202,751 in February as against \$1,468,950 for January, 1937.

### Insurance Men Cooperate

Thirty-six insurance men have joined with other business, employe and welfare leaders of the city in sponsoring a program for the financing and coordination of more than 800 private health and welfare agencies in New York City, according to an announcement by J. G. Blaine, president of the Marine Midland Trust Co. and president of the newly formed Greater New York Fund, Inc.

## AS SEEN FROM CHICAGO

### STAGE "FIVE-FIVE-FIVE" DRIVE

A novel production idea has been inaugurated in the R. S. Edwards general agency Aetna Life, Chicago, commemorating the fifth anniversary under General Agent Edwards. This is a "Five-Five-Five Club" drive, calling for five applications over a period of five weeks celebrating the agency's fifth anniversary. It will wind up March 19, after which there will be a dinner. Only life business is being counted. Next year it will be known as the "Six-Six-Six" campaign and so on, increasing one each year until the 10th year, thus automatically increasing the qualifications in each annual drive. Written business of the agency in February was as good as in December and January combined, better than in any month since March, 1937, which was preceded by the drive for business due to Aetna Life rate increases.

### ROCKWOOD COMPANY DINNER

Harry W. Anderson, assistant superintendent of agencies of the Travelers, was guest of honor at the annual dinner of the Rockwood Company, Chicago agency. For many years Mr. Anderson was life department manager in the agency. This was the 30th annual dinner, being sponsored by the Rockwood Producers Club. Harold F. Peterson, club president, was in charge of arrangements. R. C. Carson, Jr., succeeded Mr. Anderson as life department manager.

### FEDERATION ANNUAL MEETING

The annual meeting of the Insurance Federation of Illinois was featured by an address by Ray Murphy, former Iowa insurance commissioner and former national commander of the American Legion, who just recently became assistant manager of the Association of Casualty & Surety Executives. Most of those at the meeting were fire and casualty representatives. The life business was represented by Miss Joy Luidens, secretary Chicago Association of Life Underwriters, and by C. F. Axelsson of the North-

western Mutual Life and C. B. Stumes, general agent Penn Mutual Life.

Miss Lillian Herring, secretary of the federation, reported that there are now 400 members and she expressed the hope that by the time the legislature convenes the membership will be doubled. H. N. Douglass, New Amsterdam Casualty, is the new president. W. H. Hansmann, manager Fidelity & Deposit, is the retiring president.

### LYNN BROADDUS REPORTS INCREASE

A substantial increase in the paid business since the first of the year has been reported by Lynn S. Broaddus, manager Guardian Life, Chicago. The agency showed an increase of 95 percent for January, and an increase of 35 percent for February over January business this year. R. H. Pentecost, a leading producer of the agency, turned in a \$111,000 volume comprising nine applications. Mr. Broaddus, who opened his agency May, 1936, has 15 active producers and is adding two new agents, H. W. Taylor, formerly nine years with Provident Mutual in Chicago, and W. N. Schjervén, formerly with the Acacia Mutual. Mr. Broaddus has devoted a considerable portion of his time recently in talking before various life associations. He addressed a combined meeting of the Michigan City, (Ind.) and La Porte, (Ind.) associations, and more recently the St. Louis association on "The Agent Under Present Day Conditions." Mr. Broaddus led his agency last year in paid for business.

Don K. Alford, agency assistant in the La Salle ordinary agency of A. Van Goldman, Chicago, and Miss Elizabeth Balhatchet, Wilmette, Ill., announced their engagement. She is a daughter of a contractor and a graduate of Northwestern University. Mr. Alford entered the agency in the middle of 1936 shortly afterwards being appointed a supervisor in the brokerage department.

J. M. Moss, recently appointed manager of the Ohio State Life in eastern North Carolina, has opened offices at 301 Municipal building, Rocky Mount, N. C.

## COAST

### Urge Rolph for State Post

James Rolph, III, a member of the San Francisco and Los Angeles general agency of Hinchman, Rolph & Landis is being urged by many of his friends to become a candidate for lieutenant governor of California. He is the son of the late Governor James Rolph.

### San Francisco Rally March 9-10

Ray Finger, superintendent of agencies Sun Life of Canada in charge of the western United States, and W. S. Penny, director of agencies, are due in San Francisco early in March. They will hold a two-day agency conference March 9-10. It will be Mr. Finger's first visit to California since his appointment to his present position. He was formerly agency manager at Seattle.

### Oregon Mutual Starts Meetings

The home office agency of the Oregon Mutual Life held a two-day sales congress. G. W. Schoeffel, manager, was in charge. W. C. Schuppel, executive vice-president, and J. D. Williams, assistant superintendent of agents, spoke. This is the start of a series of similar sales meetings throughout its territory.

### Linton on Pacific Coast

President M. A. Linton of the Provident Mutual Life, who will be on the coast the coming month, will head the home office delegation at the meeting of the company's field forces at Del Monte in mid-April and then will be the guest of the Cowles general agency in Los Angeles at a regional gathering of field men.

### L. F. Lee in Denver

Laurence F. Lee, president of the Peninsular Life of Jacksonville, Fla., and the Occidental Life of Raleigh, N. C., was in Denver the past week and attended a luncheon in his honor.

### Fitzgerald to Los Angeles

C. M. Fitzgerald has been transferred from the home office of the Benjamin Franklin Life at San Francisco to assistant manager in charge of the life department at Los Angeles. Mike O'Sullivan is manager at Los Angeles in charge of accident and health work. Since the company writes life, accident and health, Mr. Fitzgerald will assist Mr. O'Sullivan in building the southern California department.

### Baldwin on Coast Trip

W. L. Baldwin, vice-president Colorado Life, is on a two-week visit to west coast offices.

### Veteran Named at The Dalles

The Occidental Life of California has appointed L. A. Duncan general agent at The Dalles, Ore. He went to the company from the old Idaho State Life, which he had joined just prior to the time that company was absorbed by the Occidental. He is one of the company's ablest producers, a charter member of Los Conquistadores and qualified again last year to win the "Appmaker Forum" contest at the Troutdale convention with his presentation on mortgage insurance.

### Inspect American Life Holdings

A party of insurance commissioners has left for Texas to inspect land holdings of the American Life of Detroit. Making the trip are Commissioners Gauss of Michigan, Newbauer of Indiana, Pew of Iowa and Read of Oklahoma. The commissioners' party is going first to Austin, from which point a tour of the properties is to be made.

The Columbus, O., offices of the Guardian Life have been moved from 51 North High street to the Beggs Building on East State street. E. A. McNabb is manager.



## Governor Makes Special Plea for Bank Insurance

(CONTINUED FROM PAGE 1)

memorandum cites the example of England, where no agents are employed. It further recited objections to savings bank life insurance as it has worked out in Massachusetts and as it would work out in New York, pointing out that the bill asks the superintendent of insurance to assume the dual capacity of private administrator and public supervisor. As indicating that the alert buyer rather than the poorer classes buy savings bank insurance in Massachusetts the statement notes that the last available figures, which cover the fiscal year ending October, 1936, show more than \$1,000,000 received in single premium annuities as compared with less than three millions for regular life insurance premiums.

The New York City Life Managers Association this week adopted a resolution opposing the Livingston-Piper bill in its present form and urging that if the measure is to become law it should be amended to permit the savings banks to engage in the life insurance business in such a way that the system would not be the beneficiary of state aid, either directly or indirectly, and further so as to limit the total amount of life insurance which any one person could obtain from all banks to \$500,000. The resolution is in general similar to that adopted by the New York State Life Underwriters Association.

### POSITION OF SAVINGS BANKS

P. W. Albright, general secretary Savings Bank Association of New York state, says that at a meeting the opinion overwhelmingly prevailed that while it would be the initial desire of savings banks officials "that we should not at this time be called upon to engage in

this new and complicated business, nevertheless, if the state authorities deemed we should render this service, we urged that the bill be amended to provide that the plan be set up on a cooperative basis through a centralized fund. Our officials feel very strongly on this point based upon our successful experience in handling our affairs effectively and economically through our existing centralized agencies—Savings Banks Trust Co., Mutual Savings Banks Fund and Institutional Securities Corporation. Only seven savings banks recorded themselves as favoring the bill in its present form and 108 were opposed, whereas 72 savings banks indicated a willingness to participate and support the amended idea of a central fund.

"All this information, together with our proposed amendments, was submitted with the belief that if we were called upon to render this service, under our proposed plan that is based upon a careful survey, we could render that service far more effectively and with the elimination of duplicated departments in each savings bank with greater economy. This low cost is the real issue."

### Lackey Urges Bar Cooperation

ROCHESTER, N. Y.—Coordination of legal services with those offered by life underwriters was urged by George E. Lackey of Detroit, chairman of the National Association of Life Underwriters committee on cooperation with attorneys.

Addressing the Life Insurance Trust Council of Rochester at its annual dinner, he directed his plea particularly to members of the Rochester Bar Association who were guests. He pointed out that estates depreciate sharply through taxes and enforced sales when adequate pre-death arrangements have not been completed.

"Let us use these two agencies, lawyers and life underwriters, as well as the tax man and the trust man, to the end that the American citizen may at last approach dying at par," he said.

## Wendell Brooklyn Head of Massachusetts Mutual

NEW YORK—The Massachusetts Mutual Life has appointed Harold B. Wendell, formerly assistant agency manager of the Equitable Society in Brooklyn, as general agent in Brooklyn succeeding M. J. Sackerman. Mr. Wendell has been in the business 19 years, all of that time with the Equitable either in the home office or field. He was for a time with the E. A. Woods agency in Pittsburgh. For the last 11 years he has been assistant agency manager in Brooklyn. He is an alumnus of Dartmouth College. Mr. Wendell is a charter member in the Brooklyn Life Supervisors Association. M. B. Sackerman, whom Mr. Wendell succeeds, has joined the Fraser, New York City, agency of the Connecticut Mutual Life, with which he was associated from 1922 to 1929 when he resigned to go with the Massachusetts Mutual.

### St. Louis Seeks 1939 Meet

ST. LOUIS—George L. Dyer, Sr., general agent Columbian National Life, will head a large delegation of St. Louis life insurance men who will go to Richmond for the mid-year meeting of the National Association of Life Underwriters to promote plans for landing the 1939 national convention for St. Louis. Among those expected to go to Richmond are: J. G. Callahan, H. H. Cammack, Frank Vesser, J. T. Lynn, J. De Witt Mills, Arch Moores, C. H. Poinexter, R. H. Deas, Fred Rench, Fred Rein and Adam Rosenthal.

### National Negro Insurance Week

G. D. Rogers, president of the National Negro Insurance Association, has proclaimed May 9 as the beginning of National Negro Insurance Week. G. W. Cox, vice-president and agency director of the North Carolina Mutual, is chairman of the committee to promote that week. A meeting of agency officers will be held at Louisville, March 11, to devise a program to stimulate interest. The production quota this year has been put at \$20,000,000. This about twice as much as was produced last year.

### Another Travelers School

HARTFORD—With an enrollment of 54 young men from various sections the Travelers on Monday began the 17th session of its home office school for life and accident agents. Those enrolled include men from points as distant from Hartford as Sacramento, Cal., Seattle and Winnipeg.

The course, during which students are schooled in underwriting practices and sales methods, is of four weeks' duration. Those in charge are D. J. Bloxham, supervisor of the agency field service department; J. E. McNeal, Reid Hartsig and M. F. Jones, assistant supervisors.

### Orr Is Baltimore Speaker

BALTIMORE—C. H. Orr, president Philadelphia Association of Life Underwriters, addressed the newly formed Baltimore Life Insurance Trust Council, which starts with 62 members, 46 of them life insurance men and 16 trust company men. J. L. McMillin, Mutual Life of New York, is president; J. H. Ober, vice-president and trust officer Baltimore National Bank, vice-president; F. F. Peard, Maryland Trust Company, secretary; E. K. Schultz, Massachusetts Mutual Life, treasurer. On the executive committee are N. R. Smith, general agent Guardian Life; L. P. Wilder, Aetna Life, and F. A. Savage, Jr., general agent New England Mutual Life.

### Gulf States Managers Meet

The annual meeting of the agency managers of the Gulf States Life was held in Dallas. Entertainment features included a venison dinner and a dinner party at the home of President A. Morgan Duke.

## Advertisement



Bankerslife Light, policyholder publication, in its January, 1938, issue, tells 250,000 policyholders that—

31,303,475 families reside in these United States

7,022,804 men and women belong to building and loan associations

12,100,000 telephones jingle in U. S. residences

15,000,000 citizens own their homes

15,000,000 own corporation stocks

21,887,774 homes are wired for electricity

24,197,685 automobiles travel U. S. highways

24,600,000 homes are radio-equipped

42,396,712 men, women and children have savings banks deposits

AND

64,000,000 men, women and children own life insurance policies involving \$110,000,000,000 of life insurance.

—BLC—

Stern-faced was Marquis Bowman, Bankerslife Chicago Agency Manager, when he stood up before his assembled agency Saturday, February 5th. Conspicuous, by its absence, had been agency production for the week, and "Mark" had the words on the end of his tongue to mention that fact. He opened his mouth to speak, the signal eagerly awaited by his plotting agency force. Up they jumped, to a man, paraded to "Mark's" desk, deposited thereon some 23 applications for \$148,500, gripped his hand in a hearty "Happy Birthday" greeting. Smiling-faced was Marquis Bowman when the parade had passed.

—BLC—

Intelligent selections and adequate training of field personnel are cardinal points in Company management, Bankerslife President Gerard S. Nollen told the Company's policyholders in his annual message recently. Evidence of how "intelligent selection" and "adequate training" are functioning was apparent at a Bankerslife mid-February sales school in Cleveland. Nineteen new men were there. They wrote \$459,300 of new life insurance in their 12-week training period. That's an average of \$24,170 per man. Applications averaged \$3,210.

—BLC—

Springfield, Illinois, residents are coming to know well the not unattractive features of a young man in their community, Paul McCray, Bankerslife salesman. A clever publicist, McCray sends out dozens of letters, congratulatory notes, and the like to his policyholders and prospects, gives them a definitely personal and "different" slant by attaching a stamp-sized photograph of himself instead of the customary signature.

**BANKERS LIFE**  
DES MOINES COMPANY  
Established 1879

## IT'S NEVER EASY TO BUILD AN Agency



WITH COMMONWEALTH YOU'LL FIND  
MUCH SMOOTHER SAILING

You'll cut sales resistance to a minimum through our close cooperation with you in meeting the problems of your client. Meanwhile, the many types of Commonwealth policies will extend your influence into ever-widening profit circles.

IT WILL PAY YOU TO INQUIRE ABOUT THE PROFITABLE AGENCY OPENINGS NOW AVAILABLE.

I. Herbert Snyder  
Vice President  
Manager of Agencies

**COMMONWEALTH LIFE INSURANCE COMPANY** HOME OFFICE  
LOUISVILLE, KY.



## Life Insurance Is Treated as Best Investment

(CONTINUED FROM PAGE 1)

They own the bond issues of many large corporations. When one goes into the residential sections or country districts he again encounters life companies because they have many mortgages in these areas.

Mr. Zimmerman discussed life insurance as a great economic stabilizer. He pointed out that there are over 105 billions of life insurance in force on over 64,000,000 policyholders. Despite these large amounts the average size per policy is only \$1,633 and the average amount of cash value is \$387. He stated that every time additional taxes are levied on life companies they fall directly on policyholders. Mr. Zimmerman called attention to the fact that the assets of life companies are considerably over \$26,500,000,000.

In stressing the importance of life insurance in stabilizing economic conditions he said that since 1930 the companies have paid out \$21,600,000,000 at the rate of \$308,571 for every hour of that eight-year period. He said that 60 percent of these funds went to living policyholders. Probably well over 90

percent went to people who were desperately in need of funds. The sum paid out by life companies in this eight-year period is 12 times greater than the total war debt of all Europe at present in default owing the United States.

He cited the steady growth of life insurance through 18 wars, panics and depressions. Every year there has been an increase in assets without interruption. In 1906 the assets were \$2,924,254,000; in 1916, \$5,536,607,000; in 1926, \$12,939,907,000; in 1936, \$24,150,000,000.

### Life Insurance as Investment

Mr. Zimmerman discussed life insurance as an investment. He stated that the true value of any investment is determined by the purpose or function which it was supposed to perform. In treating life insurance as an investment he approached it from the standpoint, first, of supplying money for emergencies during the lifetime of the insured; next, becoming a self-completing investment plan should the policyholder become disabled; third, becoming a self-completing investment plan in

the event of premature death of the assured, and lastly, guaranteeing the policyholder an old age income for life to take care of his dependents in later years.

The speaker discussed the difficulty of the individual in making safe investments. He quoted from "Forbes Magazine" to the effect that it was no longer safe to buy excellent securities and put them away.

### Securities Require Constant Care

Securities, he stated, are like a human being—they require constant care and attention. Because of the complexity of present economic civilization, investments should have supervision all the time. Eternal vigilance is the price of safety. He stated that people are living in a world where the speech of a dictator in Europe could seriously affect securities throughout the world; where a dust storm in Kansas could have a similar effect on securities; where a revolution in South America would disturb the investment market; where a new invention or change in style would cause large industries great embarrassment. He pointed out the competition being offered to the railroads by aviation and the automobile and the consequent shrinkage of values in railroad investments.

### Influence of Women

Mr. Zimmerman asserted that one of the dreaded objections of the life agent from his prospect is, "I want to talk it over with my wife." He said that since women were the beneficiaries of over 80 percent of life insurance proceeds they should certainly have a sympathetic understanding of life insurance and the purposes of the insurance program. He stated that whereas 41½ percent of the wives interviewed in a recent survey stated they were not in favor of the purchase of additional life insurance by their husbands, nevertheless, further studies show that of every 100 widows only 18 are able to live on income that had been provided; 47 were forced to supplement this income by work and 35 were totally dependent. He said that of every hundred men at death only one leaves wealth and two comfort, whereas 15 leave only between \$2,000 and \$10,000, and 82 nothing. He gave some further statistics indicating that the chance of remarriage by the widow was much less than was generally supposed.

### No Speculative Feature

Mr. Zimmerman contended that life insurance is an ideal investment for the average person. All other forms of investments, in contrast to life insurance, carry certain speculative features. In the first place, it is taken for granted that the man must live long enough to accumulate the investment; secondly, he must enjoy good health in order to earn enough to invest; next, he must suffer no investment losses; fourth, he must have the will power to carry through on a long term investment plan; next, he must make no withdrawals from his investment; then his investment must not be made at too great an expense and lastly, that the tax situation be not too severe on his investment.

### Empty Pocket Book a Burden

The speaker then asked, "Why gamble?" This can be eliminated through investment in life insurance and the purchase of annuities. He asserted that the heaviest burden which an old man can carry is an empty pocketbook. He said that what the future has in store for any individual depends in large measure on what that individual places in store for the future.

In conclusion Mr. Zimmerman urged a sympathetic study and understanding of life insurance by business and professional women as well as by the housewife. He said that since women control most of the wealth of the nation, their influence on the buying habits is tremendous. He urged courses in life insurance in high schools and colleges on the ground that it is the only investment which is open to the average man

## Penny Reports War Losses Light for Sun Life, Canada

KANSAS CITY—While the Sun Life of Canada does not have a war clause in its policies issued in Japan some Canadian companies did have at the outbreak of hostilities between China and Japan. W. S. Penny, director of agencies of the Sun, told 60 general agents and managers here. When the Canadian companies invoked the clause, Japanese officials pointed out that the two countries are not at war. No war has been declared.

The Sun has experienced only about \$14,000 gross losses in Japan directly attributable to the war, Mr. Penny said. This is due to underwriting, which precludes insurance on the lives of the lower classes. The company stopped writing business in China with the war, but is again in the field on a limited scale and with a strict war clause.

### Watch India Development

Mr. Penny, who supervises the world wide agency activities for the Sun, said his company is watching the growth of the nationalistic spirit in India. This development has not progressed to the point where observers can tell what it may do to the insurance business.

A world wide agency organization sounds complicated, Mr. Penny admitted, but actually it isn't because of organization. And organization means that the manager must know what his task is. Mr. Penny defined the task as securing a predetermined volume of paid for business of such quality and at a rate of expense that it is profitable to the company.

V. Webner Wiedemann, president of the General Agents & Managers Association and manager here for the Sun Life, presided. Mr. Penny was accompanied by Ray H. Finger, agency superintendent for western United States. Superintendent Robertson of Missouri was a guest.

at any time during his life, and the one form of investment which is not taught in most instances in the high schools and the universities.

### Seek to Recover from Estates

Commissioner Carpenter of California has filed three suits in superior court at Los Angeles to recover \$457,380 on behalf of the old Pacific Mutual Life. The suits were against the estates of the late Henry M. Robinson and the late Lee A. Phillips, based on the allegation that the two men, acting as directors, voted for payment of dividends to stockholders when the condition of the company did not warrant such payment.

## RECORDS

**Northwestern National**—For the seventh successive month, new business showed an increase over the corresponding month of the preceding year when February production topped the February, 1937, figure by 2 percent. As a result, sales for the year to date are 9 percent ahead of the first two months of last year. Leading agencies for the month were the White & Odell agency, Minneapolis, the A. W. Cray agency, Fargo, and the Texas state agency.

**Ohio National**—For the 12th consecutive month, production records for the corresponding month the previous year were broken, an increase of over \$400,000 being recorded in February.

**Shenandoah Life**—Reports its January business increased 45 percent in comparison with January, 1937. It had the largest number of producing agents in January that it ever had. It made the largest increase of insurance in force and had the largest paid for business during the month.

# ACTUARIES

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THE BOURSE PHILADELPHIA



## LEGAL RESERVE FRATERNALS

### Protected Home Circle Year

**President Hadley Reports Progress Made; Issue New Certificates, Degree for Representatives**

S. H. Hadley, president Protected Home Circle, Sharon, Pa., reported figures in the financial statement for 1937, made to departments of 12 states and the District of Columbia in which the society operates. Admitted assets were \$8,538,871, an increase of \$435,284. Legal reserve was calculated by W. F. Barnard, actuary, Syracuse, N. Y., at \$7,209,546 and unassigned surplus \$745,748. Contingent reserve was \$475,000, and total surplus \$1,220,748. Ratio of assets to liabilities was 107.675 percent.

There were 891 death claims paid totaling \$764,600 and additional benefits were paid out to members amounting to \$261,499 including refunds. Benefits paid out by the society in 51 years totaled \$36,629,409.

The Protected Home Circle increased membership 684 adults and 863 children, or increase of 1,547 members. Increase of insurance in force Dec. 31, was \$948,992 and total insurance in force in the senior and junior departments was \$58,634,946.

#### Offer Three Certificates

The Protected Home Circle is offering three new certificates of insurance, an adult 20-year endowment, adult endowment at age 60, and adult endowment at age 65. The latter two are to fit in with the U. S. social security old age pension plan, supplementing the government pensions by individual savings.

A degree of "fraternal insurance counselor" (F.I.C.), has been created to be conferred on persons completing the fraternal sales training course satisfactorily and writing and delivering a minimum of \$100,000 insurance, personal business, during the period of any one year. The certificate is based on a special examination authorized by the Fraternal Field Managers' Association of the National Fraternal Congress.

### New Mexico Tax Case Going to U. S. Supreme Court

SANTA FE, N. M.—New Mexico's 2 percent tax fight involving fraternalism will be carried to the U. S. Supreme Court. A three-judge federal court held chapter 69 of the 1937 session laws valid and denied it was unconstitutional as claimed by fraternalism. The law was attacked by the Woodmen of the World, Security Benefit and Praetorians, which obtained an injunction restraining the corporation commission and George H. Biel, superintendent of insurance, from collecting the tax. The federal court's action dissolved the injunction. The Woodmen of the World attorneys said they would take their case to the U. S. Supreme Court, and by stipulation decrees in the other two cases were held in abeyance. Federal Judge Neblett dissented in the decision.

#### Aleshire Addresses Group

KANSAS CITY—O. E. Aleshire, president Modern Woodmen, Rock Island, Ill., reviewed history of the fraternal at an anniversary celebration here attended by approximately 1,500 fraternalists. F. M. McDavid, Springfield, Mo., national director, was present.

#### Illinois Congress Meeting

The annual meeting of the Illinois Fraternal Congress will be held at the Morrison Hotel in Chicago, March 10. There will be a luncheon. John P. Stock of Chicago is president. Fraternal legislation will be discussed and will constitute an important part of the proceedings.

### Revision in Promotional Plan

**Evolution of Fraternal Selling Program Cited By De E. Bradshaw Before N. F. C. in Chicago**

A wide difference exists today between the plan of promotion originally used by fraternal societies and those in use at the present time, stated De E. Bradshaw, president Woodmen of the World, in addressing the presidents' section of the National Fraternal Congress at its mid-winter session in Chicago, on "Promotion Work."

"The early history of fraternal societies shows the local lodge regarded the same as the Masonic lodge, Odd Fellows and other similar organizations," he said. "I well remember the basket picnics, the holiday crowds in village and rural territory 45 years ago, gathered for the purpose of hearing the grand master or deputy grand master delivering an address upon the subject of 'Fraternity.' This address could be, and frequently was, national in its scope; thus a little of politics, much of faith and religion, some bit of history and the philosophy of fraternalism were oratorically and dramatically presented to persons whose souls longed for more extensive fields of pleasure and service. It was thought this general public speaking plan would work in the interest of a fraternal beneficiary society lodge. It was believed this plan of solicitation, justified by the experience of the past, would bring large numbers to the lodges. After delivery of such addresses, the local society lodge enthusiasts asked persons to become members or some few willing persons got together and organized local lodges."

Mr. Bradshaw said for some time this practice continued with apparent success, but the financial necessities of continuous membership and the requirements of time in solicitation, the desire of local secretaries or lodge officers to be relieved of much required free service,

forced the fraternal societies to adopt a more definite, continuous method of solicitation upon a well defined and concentrated plan. While the shell of the former method of securing members is still retained, he continued, a modern method of direct solicitation must be employed of presenting the value of membership in such a society, insurance benefits, financial strength and the reward and responsibility of joining such a lodge to further fraternalism.

"Thus developed the plan of selling memberships 'our way' and the insurance which the member could carry. There is a way by which insurance may be sold and that is, the broad highway of the life insurance agent," he said. "They travel up and down that highway daily until it is trampled as smooth as a concrete sidewalk in a busy city, seeking applicants, showing them the necessity of insurance, securing the application and leaving the applicant with no thought or worry except that of paying the annual premium."

This, Mr. Bradshaw said, necessitated the adoption of a line of membership certificates in accordance with what the members might desire. First they be-

come members of the lodge, then some want 15-pay, some 20-pay, some whole life, some double indemnity or something else, and it is necessary for the salesman or deputy of the society to be equipped to sell these different style certificates of membership. "It also is necessary for the deputy to understand the life insurance business in order to make satisfactory explanation to the prospect," he said. "But he must not only be equipped to sell life insurance, but to sell membership in his organization which promotes fraternity, brotherhood, good will and mutual assistance. One of these outlays is a crack drill team, correct rendition of the ritual, lodge field days and picnics and occasional special campaigns."

All of these things must be vividly brought to the minds of the public so the individual may be attracted to a lodge, he said. They must bring home to all the people the necessity for family protection, individual protection and for the promotion of a better community.

#### Woodmen of the World Campaign

The Woodmen of the World is conducting between March 1 and April 15

## WOODMEN OF THE WORLD

### LIFE INSURANCE SOCIETY

*A Legal Reserve Fraternal Founded in 1890*

Paid to members and their beneficiaries more than.....\$285,000,000  
Insurance in force more than.....420,000,000  
Admitted assets more than.....125,000,000  
Certificates of insurance contain modern privileges to meet every need.

De E. Bradshaw, Pres.

Omaha—Nebraska

## LUTHERAN BROTHERHOOD

LEGAL RESERVE LIFE INSURANCE

Herman L. Ekern, President

Minnesota

### FINANCIAL STATEMENT AS OF DECEMBER 31, 1937

#### ASSETS

<b>First Mortgage Loans:</b>		
City .....	(24.24%)	\$1,823,902.03
Farm .....	(24.21%)	1,821,394.26
Church .....	( 8.46%)	636,122.60
<b>Bonds:</b>		
U. S. Government .....	( 3.93%)	295,925.00
*Other Government, State and Municipal .....	(12.67%)	953,312.02
Public Utilities .....	( 2.29%)	172,232.35
Railroads .....	( 1.24%)	92,918.42
Policy Loans .....	(15.97%)	1,201,087.01
Cash .....	( .68%)	51,001.86
Interest Due and Accrued .....	( 1.01%)	76,017.86
Premiums Due and Deferred and Miscellaneous .....	( 3.86%)	290,440.68
Real Estate Including that Sold Under Contract .....	( 1.44%)	108,708.70
<b>Total Admitted Assets .....</b>	<b>(100.00%)</b>	<b>\$7,523,062.79</b>

Ratio of Actual to Expected Mortality.....24.38%  
Ratio of Assets to Liabilities.....110.40%

<b>LIABILITIES</b>	
<b>Reserves on Policies and Annuities .....</b>	<b>\$5,905,311.64</b>
Held in reserves required by statute for the payment of benefits promised our policyholders.	
<b>Reserves on Disability .....</b>	<b>84,916.60</b>
Held in reserves required by statute for the payment of benefits promised our policyholders.	
<b>Death Claims Awaiting Proof .....</b>	<b>13,082.00</b>
<b>Present Value of Death Claims Payable in Installments by Request .....</b>	<b>71,031.40</b>
<b>Present Value of Disability Claims Payable in Installments .....</b>	<b>175,339.86</b>
<b>Premiums Paid in Advance .....</b>	<b>275,762.31</b>
Amounts deposited in advance for payment of future premiums.	
<b>Dividends Left at Interest and Dividends Due .....</b>	<b>267,999.12</b>
<b>Miscellaneous Reserves .....</b>	<b>22,658.44</b>
<b>Total Liabilities .....</b>	<b>\$6,816,101.37</b>
<b>Surplus to Policyholders (For All Contingencies) .....</b>	<b>706,961.42</b>
<b>Total to Balance .....</b>	<b>\$7,523,062.79</b>

Net Rate of Interest Earned.....4.31%

#### SUMMARY OF GROWTH AND PAYMENTS TO POLICYHOLDERS

	Ins. in Force	Admitted Assets	Surplus	Interest Earned	Death Claims	Divs. Paid
1920 .....	\$ 2,193,500.00	\$ 47,943.34	\$ 16,095.95	\$ 1,522.17	\$ 2,000.00	\$ 935.91
1925 .....	9,390,000.00	431,157.68	70,728.56	19,477.66	13,500.00	10,656.87
1930 .....	37,675,188.00	2,420,549.09	220,928.06	107,834.52	73,113.00	86,203.89
1932 .....	40,977,778.00	3,669,975.61	357,610.74	172,518.42	91,215.00	118,964.27
1934 .....	45,996,821.00	4,803,161.13	441,438.30	206,574.07	115,388.25	129,244.11
1936 .....	56,190,263.00	6,497,321.45	558,287.61	284,507.57	156,346.00	145,473.63
1937 .....	61,097,084.00	7,523,062.79	706,961.42	321,326.48	132,097.00	171,689.58



what is known as the "Presidents or Members Campaign." While in the past there has been an opportunity to honor consuls, commanders, secretaries and senior members, now there is an equal privilege given to every individual sovereign except only the national officers and field men. Prizes will be awarded for securing new business.

### O. C. Weatherby Dies

O. C. Weatherby, field director Protected Home Circle, died suddenly at his home in Columbus, O., following bursting of a vein under his heart while he was working on his automobile. At one time he was secretary to the late J. J. Lentz, president American Insurance Union. He had held positions in the state and Columbus city administrations.

### Officers Are Installed

ST. LOUIS—Newly-elected officers of the St. Louis chapter of the Missouri Fraternal Congress, installed by L. E. Hart, supreme advocate Knights of Columbus, at a meeting here are: President, Col. M. F. Napier, Aid Association for Lutherans; vice-president, Mrs. Eva B. Wiseman, Degree of Honor; secretary-treasurer, Mrs. Reba E. Saunders, Royal League.

### Kentucky Bill Passed

The Kentucky senate has enacted a house bill, permitting fraternal to insure persons under 16 years of age, with the consent of their parents or guardians.

### Massachusetts Bills Asked by Companies Unopposed

BOSTON—There was no opposition at the hearing before the legislative committee on insurance to several life insurance measures sponsored by C. W. Wyatt, on behalf of life companies. House Bill 256 would permit a life company to stipulate in its policies either that the paid-up insurance benefit or the extended term insurance benefit shall be the automatic benefit, in the case of lapsed policies. It also provides that if the insured does not elect one of these benefits, the paid-up insurance benefit is automatically operative. While not applying to present paid-up insurance, a provision enables companies, at the request of the policyholder, to amend the existing policy to provide that extended term insurance may be automatically effective.

House Bill 255 was to amend the present statute which requires the written assent of the person to whom the policy is payable as beneficiary for payment of the cash surrender value. Massachusetts is the only state which has such a provision in its law relative to non-forfeiture benefits. The new bill would strike out that provision and substitute a provision permitting any insurer to stipulate in a life policy that such assent is required for the payment of the cash surrender value.

A third measure, House Bill 324, provides that domestic life companies be authorized to provide for the payment of pensions to their officers and employees and to insure their lives under a single or group contract or policy.

### Sun Life Officials on Visit

LOS ANGELES—Ray Finger, recently appointed superintendent of agencies for the western United States division of the Sun Life of Canada, will arrive in Los Angeles this week to make his initial inspection and visit to his new field. He will be accompanied by W. S. Penny, director of agencies of the Sun Life. They will be the guests of Manager H. S. Standish and will be entertained at a luncheon at which all the Sun agents in the southland and officials of other companies will also be guests. Mr. Finger was superintendent of agencies for the Cleveland Life, previous to its absorption by the Sun. His present position is a promotion from that of manager of the Seattle, Wash., branch office two months ago.

## NEWS ABOUT LIFE POLICIES

—BY J. H. RADER—

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### Berkshire Life in Increase

**Dividend Scale Raised Overall Starting May 1 About 15 Percent for Year**

The Berkshire Life announced revised dividend scale under which total dividend payments will be increased approximately 15 percent, this average rate of increase, however, not applying through the whole scale. Increases will be materially larger at younger ages and shorter durations. On regular premium-paying policies, other than term insurance, based on the American Experience 3 percent table, dividends under the new and old scales will be approximately equal to attained ages 60 to 65, and dividends on the new scale less than on the present scale for older attained ages.

There also has been complete revision of the dividend scale applicable to preferred risk forms based on American Experience 3½ percent table, including the "special" and old "benefactor" forms. Policies based on this table and interest rate have not been issued since 1935.

### Retirement Annuity Change

In general, the new scale of dividends on these plans is less than the present scale except for the preferred risk policies issued at the old ages, where, at the shorter durations, the new scale is higher than the old. Dividends on retirement annuities, both single and annual premiums, will be based on a total interest factor of 3¼ percent rather than 3½ percent as was the case under the old scale. The dividend year begins May 1.

In the case of juvenile policies dividends on some plans decrease until attained age 11, after which they increase. On premium-paying term policies the new scale is higher than present scale until approximately attained age 45, after which new scale is less than present scale. Specimen first year dividends on five year term plan are: Age at issue 20, new \$1.49, old \$1.14; 35, \$1.53 and \$1.32, respectively; 50, \$1.70 and \$1.87; 60, \$2.13 and 3.01.

Dividends on paid-up life policies issued on the American 3 percent basis are greater under the new scale until attained age 56, thereafter less. Thus: Attained age 20, new \$3.11, old \$2.72; 35, \$3.44 and \$3.08; 50, \$3.95 and \$3.76; 65, \$4.60 and \$4.93. Illustrations are:

Ordinary Life					Total Cash	
Age at Issue	1st Year New	10th Year New	20th Year New	20 Yrs. Old	Dividends	
20.....	\$2.24	\$2.52	\$2.93	\$51.14	\$37.10	
35.....	2.42	2.92	3.62	59.57	46.47	
50.....	2.84	3.72	4.70	75.39	74.67	
65.....	3.95	5.27	6.50	105.93	147.90	
20 Payment Life						
20.....	2.48	3.12	4.12	64.24	48.39	
35.....	2.66	3.53	4.85	72.93	57.72	
50.....	3.02	4.19	5.81	86.22	82.07	
65.....	4.00	5.40	7.14	109.92	146.18	
20 Year Endowment						
20.....	2.95	4.33	6.52	90.76	71.39	
35.....	2.98	4.37	6.55	91.40	73.44	
50.....	3.16	4.56	6.69	94.89	87.96	
64.....	3.91	5.34	7.30	109.45	138.71	

**Berkshire "Benefactor"—Issues Since Jan. 1, 1936**

Age at Issue	1st Year New	10th Year New	20th Year New	20 Yrs. Old
20.....	2.06	2.47	2.89	49.62
35.....	2.16	2.85	3.57	57.65
50.....	2.41	3.65	4.69	73.03
Ultimate at Age 5				
5.....	4.13	2.28	2.52	50.92
Ultimate at Age 10				
5.....	2.39	2.87	3.64	58.78

W. M. Aldrich, Jr., junior at Wooster College and author of "The Dictator," an operetta produced at the school is a son of W. M. Aldrich, agent in the Steacy E. Webster agency of the Provident Mutual Life in Pittsburgh.

### Optional Rules Are Revised

**Equitable Society Gives the New Settlement Provisions After Some Modifications Have Been Determined**

The Equitable Society has revised its optional settlement rules, they being as follows:

1. When the insured provides that the proceeds are to be left at interest under Option 1 for a primary beneficiary, such deposit may be maintained during that beneficiary's lifetime.

Provision may be made that if the primary beneficiary dies within 30 years following receipt of due proof of the death of the insured, the proceeds may be applied under Option 1 or under instalment Options 2 or 4 for a secondary beneficiary during the balance of such thirty year period.

The insured may provide for a life income, Option 3, settlement for a secondary beneficiary at the death of the primary beneficiary. If, however, the primary beneficiary dies within thirty years following receipt of due proof of the death of the insured, provision may be made for a secondary beneficiary under Option 1 during the balance of such thirty years period and then for a life income, Option 3, settlement.

2. When the insured provides for an Option 1 settlement as prescribed in Rule 1 for a secondary beneficiary following the death of a primary beneficiary, at the subsequent death of such secondary beneficiary settlement must be made in one sum. When the insured provides for an instalment settlement as prescribed in Rule 1 for a secondary beneficiary following the death of a primary beneficiary, at the subsequent death of a secondary beneficiary instalments may be continued to beneficiaries within the thirty year period.

3. When the insured provides for the proceeds at the death of the insured to be paid under Options 2, 3 or 4, instalments may be paid, when due, to the primary and secondary beneficiaries until all of the instalments shall have been paid.

4. When the insured provides for a mode of settlement for a primary beneficiary and single sum settlement for a secondary beneficiary, the secondary beneficiary may not have the right to elect a mode of settlement at the death of the primary beneficiary.

5. The insured may provide that a beneficiary may change to a life income, Option 3, settlement to commence within one year following receipt of due proof of the death of the insured, or the insured may provide that the beneficiary may change to Option 3 at one date or age specified by the insured or within thirty days thereafter.

If the insured makes no provision for a mode of settlement, and an election is made by the beneficiary, the latter may change to a life income, Option 3, settlement to commence within one year following receipt of due proof of the death of the insured or may at the death of the insured elect to have the privilege of changing to a life income. Option 3, settlement at one specified date or age or within thirty days thereafter.

6. Any accidental death benefit shall be payable to the beneficiary in one sum at the death of the insured or under the same mode of settlement and in the same manner as the face amount of the policy.

7. A marriage or remarriage provision may not be incorporated in any settlement.

### Dividend Year Is Changed

In order that the directors may have the complete financial statement before

them in reaching a decision as to the dividend schedule, the Security Mutual of Nebraska is changing its dividend year from Jan. 1 to April 1. The company intends to make no change in dividends for 1938.

### Bankers National Dividends

The Bankers National Life of Montclair, N. J., will use the same schedule of dividends as was in vogue last year. Interest on dividends left to accumulate will remain at 4 percent and interest on policy proceeds left with the company at 4.25 percent. The company earned a net return on investments during last year slightly in excess of the later rate.

### Moszkowski Back from Europe

George A. Moszkowski, president American International Underwriters, director United States Life, and chairman of its foreign business committee, has returned from a four months' business trip in Europe.

Mr. Moszkowski said a good tourist season is expected during 1938. An increasing number of Americans are taking their cars to Europe. Certain of the governments there are taking steps to encourage this by eliminating red tape, reducing gasoline prices through tax exemptions, and in other ways improving facilities.

He visited settlement and claim agencies of A. I. U. and made changes in their set-up which should improve the facilities. A number of these representatives act also as local collecting or claim agencies, or both, for United States Life in connection with its world-wide service and Mr. Moszkowski predicted a substantial increase in this company's foreign business as these facilities become more widely known.

Mr. Moszkowski, who suffered from a severe eye infection during the past year, was compelled by a recurrence of this trouble, to take a month's rest during his stay and spent the time in the Austrian Alps.

### Kentucky Legislation

LOUISVILLE—With the regular session of the Kentucky legislature planned to end March 1, prior to the calling of a special session, a number of bills were rushed through the house. One bill passed by the house and previously passed by the senate would regulate the operations of agents, the measure as written permitting certain agents who have offices on the Tennessee border to do business in Kentucky as well as the border state, for instance, agents on the Tennessee border would be empowered to write insurance in both Kentucky and Tennessee, it being a reciprocal agreement merely covering a section around Fulton and a few other towns.

Knowledge of a special session to consider plans of financing Kentucky counties in payment of their bonded indebtedness, is reported to have resulted in a material improvement in prices of various county bonds within recent weeks.

Banks, insurance companies, speculators, investors and investment houses are among those who are particularly interested in seeing some action. There are some 18 Kentucky counties which have permitted their bonds to go into default, and others were facing default. The 120 counties, many of which have no bonded indebtedness, show a total of \$28,000,000 in bonds outstanding.

### Payments to Policyholders

Living policyholders of the Bankers Life of Iowa received almost 62 percent of policy payments made by the company in January, the total paid to them in the form of dividends, disability and annuity payments, etc., having been \$927,034.51. Beneficiaries of the 211 policies which became death claims during the month received \$655,655. The average age of these policyholders at death was 60.



# SALES IDEAS AND SUGGESTIONS

## Pension Trust Opportunities and Sales Points Stressed

DETROIT—Excellent opportunities await the life underwriter who will prepare himself to go after pension trust cases, Hugh C. White, Detroit general agent Connecticut Mutual, told over 100 life underwriters, bankers and accountants at the first of a series of 10 weekly sessions on tax and life insurance problems sponsored by Mr. White.

A business corporation should not go into a pension trust plan in order to avoid taxes and all employees should be treated alike insofar as the retirement age is concerned, he declared. A fair and equitable percentage of the employee's salary should be considered as an amount he is to receive at his retirement age. Usually 50 percent of the salary makes a satisfactory arrangement, he added.

### Employ Competent Attorney

A competent attorney should be employed to write the trust agreement in these cases since each case presents a different problem or set of problems and the law must be definitely interpreted. He suggested that all executives and all employees earning \$3,000 a year or more be allowed to participate.

Steps must be taken to divorce the trust fund entirely from the corporation so that payments made will definitely accumulate for the benefit of the annuitant even if he leaves the corporation's employ. Only the active executives and employees and not inactive stockholders or others should be included.

The many benefits for accumulation of funds at retirement age should be stressed and not tax avoidance as the principal reason for considering a pension trust fund. It is necessary, of course, for the underwriter to have a working knowledge of the personal income tax and the formulating structure of trust agreements.

### Creates Closer Relationship

One of the salient points to stress in selling is that such a plan creates a closer relationship between employers and employee, increases loyalty and decreases the loss of valuable men to competitors. Likewise, it solves the problem of retirement on a comfortable basis.

There has been too much "loose" thinking on the part of life underwriters and others attempting to do work in the pension trust field, Donald P. Kipp, attorney and tax expert, declared. Certain definite principles must be recognized, he said. Every corporation is not a prospect for a pension trust. Greater selectivity is needed in this field than in any other in the insurance business. These cases are relatively few in number but are usually large in size when closed, but should not be over-emphasized to the detriment of regular lines.

The social security act, he said, gave rise to activity in the pension trust field, having called attention to the need for adequate retirement provisions. Social security must be augmented by something additional, and the pension trust plan is the best plan yet devised to serve this purpose, he asserted. Bases for the plan are to be found in Section 23 (p) and Section 165 of the revenue act of 1936.

Section 23 (p) says: "An employer establishing or maintaining a pension trust to provide for the payment of reasonable pensions to his employees (if such trust is exempt from tax under

section 165, relating to trusts created for the exclusive benefit of employee) shall be allowed as a deduction . . ." It will be noted that the paragraph sets forth these requirements: (1) that there must be a trust; (2) that the trust provide for reasonable pensions "to his employees;" (3) that the trust be exempt from taxation under section 165; (4) that only a reasonable amount shall be transferred or paid into such trust during any taxable year.

Section 165 reads in part: "A trust created by an employer as a part of a stock bonus, pension or profit-sharing plan for the exclusive benefit of some or all of his employees, to which contributions are made by such employer, or employees, or both, for the purposes of distributing to such employee the

earnings and principal of the fund accumulated by the trust in accordance with such plan, shall not be taxable under Section 161. . ."

Much confusion has arisen over the reconciliation of these two sections of the revenue act. It should be noted that Section 165 deals with pension trusts and also with profit-sharing and bonus trusts. It becomes apparent then that in reading Sections 23 (p) and 165 of the act together only the provisions of 165 which apply to pension trusts can be of any value in interpreting Section 23 (p). Much capital has been made of the fact that Section 165 provides that the pension trust may be "for some or all" of the employees, but one must realize that Section 165 deals only with the non-taxability of the trust and has nothing to do with the deduction by the contributor of the amount contributed to such a trust. Deductibility of amounts paid into any such trust must be determined under Section 23 (p) alone.

The primary requirement under Section 23 (p) is that a reasonable plan

providing for reasonable contributions for a reasonable number of employees in order that reasonable pensions may be paid, shall be adopted. This is extremely indefinite. The best rule to follow is to obtain detailed figures and analyses dealing with the number of employees, the amount of wages paid to each, length of service and from these figures work out a plan which is so reasonable to the ordinary man that no question in respect to its good faith can be raised.

### Status of Participants

In some situations it will be reasonable to include all employees in service to this employer for a certain number of years; in other cases, not. Sometimes it is expedient to draw the line in the matter of wage level. Whether it is reasonable will depend upon whether it will thus be available to a reasonable proportion of the employees. It is easily seen from these facts that no one plan will fit all employers. Each employer's problems must be considered separately and each plan constructed in view of circumstances and background surrounding each individual case.

### Tax Advantages Seen

This brings us to consideration of the tax advantages of the plan. It is obvious that if one may in computing net income deduct contributions made to a pension trust, savings in taxation will contribute substantially to the cost of the plan. It cannot be emphasized too strongly, however, that savings in taxation should not be the motivating force behind any pension trust plan. The plan should be adopted because of the benefits which will accrue to the employer from obtaining greater stability in employee turnover, greater cooperation from his employees and complete elimination of the problem of aging employees. The tax savings are incidental.

### May Change Tax Basis

In his sales of pension trust programs, the underwriter must keep these facts clearly in mind. There have been too many programs which have been proposed for the sole purpose of saving taxes. Any session of Congress may change the revenue acts to destroy the deductibility of pension trusts and thereby eliminate their desirability for those people who only seek to save taxes.

It has been stated that Section 165 states that bonus and profit-sharing trusts for the exclusive benefit of employees will not be subject to income tax. This provision opens up other avenues which should not be confused with the pension trust. Many corporations and employers have seen fit to establish trusts into which bonuses and additional compensation for valued employees may be paid. The advantages of the use of a trust for this purpose are immediately apparent when one considers the trust entity itself is not taxable and the individual beneficiaries pay no income tax on the amounts paid into it until they actually receive payments from the trust. The amounts which are paid in by the employer are likewise deductible by the corporation as business expense, if after other compensation of employees is taken into consideration, the employees' salaries still remain reasonable.

### No Guarantee Given

It is apparent that there must be avenues for the investment of funds paid into a profit-sharing trust, and retirement income or annuity contracts written by life insurance companies are ideal for this purpose. In handling such plans, it is well for the underwriter to make sure that no guarantee is given that any sum whatever paid by way of a bonus or under a profit-sharing scheme will be a deductible item by the contributor. This depends upon a

## Practical Prospecting Methods Cited in N. Y. Course

NEW YORK—Prospecting, with emphasis on the need of adapting prospecting methods to one's selling abilities, sales equipment and natural contacts, was discussed by C. Preston Dawson, general agent New England Mutual Life, New York City, and O. P. Jacobsen of the Beers & Dawson agency in the third New York City Life Underwriters Association's lecture course.

Mr. Dawson, substituting for H. G. Kenagy, superintendent of agencies Mutual Benefit Life, who was out of the city, talked on the principles involved in effective prospecting, with Mr. Jacobsen handling the practical applications of those principles as they applied to his own methods.

### Types of Selling

The agent should ask himself, said Mr. Dawson, whether his selling ability is of the direct selling or the adviser type. Is he equipped to sell on a program basis, or package sales, taxes or estate planning? Are his natural contacts such that he has a good nucleus of prospects among whom to work? Mr. Dawson pointed out that the man who lacks such a nucleus may have to develop along other lines in order eventually to develop natural contacts among the groups he desires reaching.

Dealing with methods open to the agent, Mr. Dawson touched upon direct mail, cold canvass and telephone canvass, stressing natural contacts, developing centers of influence and use of the endless chain. He urged doing a "direct" job in prospecting, that is being sure that each prospect qualifies on the three points of having a need, being able to pay, and capable of being approached on a favorable basis by the agent.

"Be sure you're putting in your time on the cream of the crop and not just anybody," he counseled. He appealed to agents to make prospecting a weekly habit, expressing doubt that it is practically possible to do something about prospecting every day.

To make prospecting more effective he suggested developing some prospecting specialty, saying that there is a gain in efficiency when there is a "oneness" or direct method rather than a maze of ideas. He advised establishing a center of influence file with each card containing a complete itemization of the center of influence's activities and contacts—

business, place of residence, college alumni and fraternity, club, church, athletic—everything he does that brings him into contact with prospects.

Directive prospecting also includes gearing one's prospecting to changing trends in business, Mr. Dawson said, pointing out that his agency last May directed its prospecting emphasis toward salaried men and away from independent business men because of the oncoming recession.

Mr. Jacobsen's experience with developing natural contacts proved exceptionally illuminating. Six years ago he formed a club which now has about 30 members. Though social congeniality is an aim, the principal objective is mutual aid in a business way. All members are in non-competitive lines. The club meets once a week for luncheon. Each member has an alternate and every month alternates as well as regular members attend. Mr. Jacobsen said he had found prospecting habits to be of the utmost importance. It is constantly necessary to check up to be sure fresh prospects are being added to replace those who become impossible to sell.

## C.L.U. NEWS

### WYATT TO BE IN DETROIT

B. E. Wyatt, newly appointed educational counsellor of the American College of Life Underwriters, will spend a week in Michigan and will address the Detroit C. L. U. March 7.

### BEHR SPEAKS AT LOS ANGELES

Louis Behr, Chicago million dollar producer of the Equitable Society, who is now in southern California, discussed his system of prospecting. Thomas G. Murrell of Murrell Brothers, California general agents of the Mutual Benefit Life, deferred his talk until March 25 to permit Mr. Behr to speak.

### DALLAS C. L. U. TO MEET

Austin Wier will address the Dallas C. L. U. chapter March 7 at a dinner. Fourteen agents are attending classes in preparation for the examinations next June.



great many indefinite factors and depends also upon the test of "reasonableness".

Let us revert for a moment to some of the mechanics of the strict pension trusts. The following must be considered in formulating any such program: (1) consideration must be given to the selection of a trustee; (2) the actuarial soundness of the plan must be assured; (3) consideration must be given to the type of contract to be written—endowments, annuities or insurance with income; (4) consideration must be given the problem of the possible death of the employer before retirement age or before the fund is exhausted; (5) disposition of proceeds should an employee leave the company must be arranged; (6) control must be vested in an independent trustee, never in employer or employees and (7) consideration must be given to the disposition of the fund in case the employer be unable to continue the plan at some future date.

### Successful Agent Must Know, Like Job and Be Own Boss

CLEVELAND—Mrs. Dorothy Currell, Provident Mutual Life, was elected chairman of the woman's division of the Cleveland Life Underwriters Association at its last meeting. Miss Louise Schweitzer, Home Life of New York, is co-chairman and Miss Amelia Beer, Pacific Mutual Life, is secretary.

Talking on "400 Clients in Four Years," Mrs. Agnes Lucas, Equitable Society, said there are three things necessary to successful selling of life insurance. "We must know our job and our contracts, like our job and be adapted to it, and be big enough to be our own boss because we are in business for ourselves.

"Time control must be practiced continually. I never make a call, if possible, unless I have two or three others in the same neighborhood.

### Keep Accurate Records

"Accurate records must be kept. I think we should work a definite number of hours per day and come into the office regularly. I believe it is almost impossible to have enthusiasm, knowledge and the right contacts with your clients without coming into the office. You also need the cooperation of your managers and co-workers.

"Service calls are the best door openers we have. On service calls there is no need of an introduction.

"In selling the contract, make it as simple a procedure as possible using a little human interest story. Today there is less order taking and less high pressure. People know what they want. Programs are increasingly important and contracts should now be sold for a purpose."

### Life Agent Must Turn on His Selling Power

A good life insurance salesman is not of much value until his selling power is turned on, said Lynn S. Broadus, Guardian Life manager in Chicago, at a recent meeting of the St. Louis Life Underwriters Association. It is better to have a poor salesman call on good

prospects than a good man wasting his time with persons not in a position to purchase life insurance.

Agents should plan for growth as life insurance is a business in which one can plan for the future. The agent must know how to create his work by having the ability to plan for a second prospect. Progressive, successful agents have a nose for news and by keeping in touch with what is happening in the community they are able to obtain good leads. By carefully studying the purposes, responsibilities and desires of a prospect from his personal, family, business and social aspects an agent is able to know a good prospect from a bad one and attain the knack of fitting the policy to the prospect's needs as carefully as a good tailor fits a suit.

Prospects, he said experience in Chicago has shown, are divided into three distinct classes: First, those who earn \$100 for each year of their age and buy from 15 to 20 life insurance policies and keep them; second, those who earn \$75 for each year of their age and buy and keep from six to 15 policies, and third, those who earn only \$50 times their age and rarely buy a second life policy, have no deep sense of responsibility and lapse their policies quickly.

Many agents are earning from 10 to 20 percent less than the earning capacity because they are lacking in good prospecting qualities and write applicants who do not continue their insurance in force, thus eliminating future renewals commissions.

### Angle to Negative Approach

R. D. Safford, vice-president of the Travelers Fire, in addressing a meeting of fire insurance agents in Cincinnati this week, recited an interesting example of sales technique that he had learned from a life agent. Mr. Safford said that he was approached by this agent who said:

"You don't want to buy any life insurance, do you?"

"No," Mr. Safford replied.

"Will you tell me why?" the agent asked.

"Because I can't afford it."

"It's a funny thing about money," the agent remarked, "it's all relative, isn't it?"

Mr. Safford was somewhat bewildered by this remark and the agent went on: "Let me show you. Get into your mind the amount of insurance you are carrying as protection for your wife—just in round figures—but don't tell me what it is. Now, take off the three right hand figures. The result isn't very much, is it?"

When Mr. Safford admitted that it wasn't a staggering amount, the agent went on:

"That figure is approximately what your wife will have per week after you are out of the picture, provided she can make that insurance you leave her earn 5 percent per annum."

### National Negro Annual Meeting

The annual meeting of the National Negro Insurance Association will be held at Cleveland, June 8-10. The Dunbar Mutual, 2310 East 55th street, Cleveland, will be the host company, M. C. Clarke being president. The Dunbar Mutual is not a member of the association but it will likely be before the convention is held. The Supreme Liberty Life of Chicago will act as co-host.

### Will Seek to Modify Provisions

It is stated that the executive committee of the National Negro Insurance Association is planning a conference on federal legislative subjects pertaining to features of the social security act that the life company officials claim are imposing an unfair and unreasonable burden on them. M. S. Stuart of the Universal Life of Memphis has made some valuable contacts in Washington and it is likely that a bill will be introduced in the present Congress to bring about improvement.

## MANAGEMENT OFFICE MORALE

By A. R. JAQUA

Associate Editor Diamond Life Bulletin

Yesterday an agent told me that after eight years his chief criticism of his agency was in the attitude of the cashier and clerks in the office.

That is not the first time such criticism has been heard. A cashier, whether male or female, and clerks and stenographers, perhaps because they are on a regular salary basis and know that many of the agents are having financial difficulties, have a tendency to become sarcastic and indifferent in the service they render the agents.

Such an attitude, it seems to me, is most dangerous. If there were any reason for it, it would still be dangerous. But there is no reason for it.

Cashiers, clerks and stenographers are in the agency only because agents have put business on the books. Let the agent fail to put business on the books and clerks and stenographers will be fired and the salary of the cashier cut. They are overhead; and unless they perform a function in conserving or creating business, they are an unnecessary overhead.

The life insurance salesman encounters all day indifference, procrastination, lethargy, selfishness and plain insults. Surely when he returns to the office he is entitled to the utmost sympathy and consideration and help from every person in that office. Not a cashier, not a clerk, not a stenographer but whose response should be instant, willing and eager to any reasonable request of an agent.

I submit that there are four ways by which office workers can increase their salaries. They can institute a method of doing the office work quicker or better. They can institute a method of doing it less expensively. They can help conserve the business now on the books. They can help create new business and to get leads for agents to create new business. Some cashiers get \$125 a month and are overpaid, and some get \$250 a month and are underpaid. And the difference is by no means dependent upon the size of the agency, but rather is dependent upon the amount of sales instinct possessed.

If every general agent and manager were to conceal himself under the desk for a few days and listen to the conversations between agents and office help, he might learn something to his advantage. Some of the office help would have their salaries raised and some would be discharged. Should not the rule be instant and unquestioning service to every reasonable request of an agent and, in addition, a constant search for ways of serving the company and agents who make jobs possible?

It has been observed that those people get ahead fastest who willingly and gladly do everything legitimately asked of them and who also strive to anticipate unexpressed needs for help.

Some managers have said that the atmosphere within an office is more important than the business conditions without. The office manager or the cashier and his assistants, including the telephone girl, have a great deal to do with creating office atmosphere.

## MANAGERS ASSOCIATION

### Three "C" Qualification

"Why a Managers' Club?" was answered at the San Antonio Association of Life Underwriters' meeting by J. S. Smith, Houston, Tex., Aetna Life general agent. At a managers' club meeting managers and general agents can discuss common problems, exchange ex-

periences, and develop a better understanding on competition.

Men in charge of agencies are builders of men rather than merely seekers of monetary gain, said Mr. Smith. The qualifications of agency managers are credit, confidence and character and they should see that their men possess the same three C's.

### Discuss Security Market

At the Los Angeles Managers Association meeting, McClarty Harbison, president, and W. G. Paul, executive secretary of the Los Angeles stock exchange, spoke on the "Security Market and Federal Regulation."

### Supervisors Hear Sherrill

BOSTON—Sherrill A. Smith, life manager of the Travelers, advised members of the Boston Life Insurance Supervisors Club to look for new agents among their own acquaintances, in their own social and business groups. Eight new members were taken into the association.

### Entertain Leading Producers

Leading producers of life companies operating in Shreveport, La., were entertained at a banquet given by the Life Managers Club. C. C. Day, general agent Pacific Mutual Life, Oklahoma City, was the principal speaker.

### Ohio Department Seeks to Amend Premium Tax Law

COLUMBUS—As a result of the decision of the United States Supreme Court in the California-Connecticut General case and the receipt of numerous requests for information as to its attitude, the Ohio department is trying to have introduced in the assembly an amendment to section 5433 of the Ohio code relative to the tax on the gross premiums of foreign insurers. The department would strike out the clause "paid for reinsurance in companies admitted to do business in the state," and substitute for this "received for reinsurance" and make the section continue as follows: "and charge such amount to such company as a tax upon the business done by it in this state for the period shown by the annual statement. All taxes so collected shall be credited to the general revenue fund of the state." It is said that this change would remove double taxation in this respect on the life companies.

Because the Ohio law permits no deductions the tax in Ohio is almost the highest in the United States. In a letter received by the department a few days ago from an insurance company in New York, it was pointed out that New York is obliged to collect tax on premiums under the catch-all provision of section 187 of the New York tax law. This would result in double liability, it is claimed, if the company is forced to pay in both New York and Ohio. The change will not take effect this year, even should the legislature amend the law. The legislature being in special session, special permission must be obtained to introduce the proposed amendment.

### Virginia Trust Bill Advances

RICHMOND, VA.—House Bill 201, which would permit trust funds to be invested in life insurance endowments and annuities, has been reported from the committee on insurance and banking with an amendment limiting the amount that can be invested in a single company to \$10,000. Banks and trust companies have been opposing the measure, but its sponsors hope to push it through before adjournment March 15.

### Investment Bill Reported Out

PROVIDENCE, R. I., Feb. 26.—Favorable report on a bill authorizing insurance company investments in Federal Housing mortgages and debentures has been filed by the judiciary committee of the Rhode Island state legislature.

